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AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS.

BY

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TO THE

THIRD EDITION.

THE firſt Edition of the following Work was printed in the end of the year 1775, and in the beginning of the year 1776. Through the greater part of the Book, therefore, whenever the preſent ſtate of things is mentioned, it is to be underſtood of the ſtate they were in, either about that time or at ſome earlier period, during the time I was employed in writing the Book. To the third Edition, however, I have made ſeveral additions, particularly to the chapter upon Drawbacks, and to that upon Bounties; likewiſe a new chapter entitled, *The Concluſion of the Mercantile Syſtem*; and a new article to the chapter upon the expenſes of the ſovereign. In all theſe additions, *the preſent ſtate of things* means always the ſtate in which they were during the year 1783 and the beginning of the year 1784.

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TO THE

FOURTH EDITION.

IN this fourth Edition I have made no alterations of any kind. I now, however, find myſelf at liberty to acknowledge my very great obligations to Mr. HENRY HOP of Amſterdam. To that Gentleman I owe the moſt diſtinct, as well as liberal information, concerning a very intereſting and important ſubject, the Bank of Amſterdam; of which no printed account had ever appeared to me ſatisfactory, or even intelligible. The name of that Gentleman is ſo well known in Europe, the information which comes from him muſt do ſo much honor to whoever has been favored with it, and my vanity is ſo much intereſted in making this acknowledgment, that I can no longer refuſe myſelf the pleaſure of prefixing this Advertiſement to this new Edition of my Book.

CONTENTS

OF THE

FIRST VOLUME.

INTRODUCTION AND PLAN OF THE WORK Page 1

BOOK I.

Of the Causes of Improvement in the productive Powers of Labor, and of the Order according to which its Produce is naturally distributed among the different Ranks of the People 6

CHAP. I.

Of the Division of Labor ibid.

CHAP. II.

Of the Principle which gives Occasion to the Division of Labor 19

CHAP. III.

That the Division of Labor is limited by the Extent of the Market 26

CHAP. IV.

Of the Origin and Use of Money Page 33

CHAP. V.

Of the real and nominal Price of Commodities, or of their Price in Labor, and their Price in Money 43

CHAP. VI.

Of the component Parts of the Price of Commodities 70

CHAP. VII.

Of the natural and market Price of Commodities 82

CHAP. VIII.

Of the Wages of Labor 96

CHAP. IX.

Of the Profits of Stock 133

CHAP. X.

Of Wages and Profit in the different Employments of Labor and Stock 151

PART I. *Inequalities arising from the Nature of the Employments themselves* 152

PART II. *Inequalities occasioned by the Policy of Europe* 183

CHAP. XI.

Of the Rent of Land Page 223

PART I. *Of the Produce of Land which always affords Rent* 227

PART II. *Of the Produce of Land which sometimes does, and sometimes does not, afford Rent* 252

PART III. *Of the Variations in the Proportion between the respective Values of that Sort of Produce which always affords Rent, and of that which sometimes does and sometimes does not afford Rent* 273

Digression concerning the Variations in the Value of Silver during the Course of the Four last Centuries.

First Period 276
Second Period 299
Third Period 301

Variations in the Proportion between the respective Values of Gold and Silver 330

Grounds of the Suspicion that the Value of Silver still continues to decrease 338

Different Effects of the Progress of Improvement upon the real Price of three different Sorts of rude Produce 339

First Sort Page 340

Second Sort 343

Third Sort 359

Conclusion of the Digression concerning the Variations in the Value of Silver 373

Effects of the Progress of Improvement upon the real Price of Manufactures 384

Conclusion of the Chapter 393

AN

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INQUIRY

INTO THE

NATURE AND CAUSES

OF THE

WEALTH OF NATIONS.

INTRODUCTION AND PLAN OF THE WORK.

THE annual labor of every nation is the fund which originally ſupplies it with all the neceſſaries and conveniencies of life which it annually conſumes, and which conſiſt always either in the immediate produce of that labor, or in what is purchaſed with that produce from other nations.

According, therefore, as this produce, or what is purchaſed with it, bears a greater or ſmaller proportion to the number of thoſe who are to conſume it, the nation will be better or worſe ſupplied with all the neceſſaries and conveniencies for which it has occaſion.

But this proportion muſt in every nation be regulated by two different circumſtances; firſt, by the ſkill, dexterity, and judgment with which

its labor is generally applied; and, fecondly, by the proportion between the number of thofe who are employed in ufeful labor, and that of thofe who are not fo employed. Whatever be the foil, climate, or extent of territory of any particular nation, the abundance or fcantinefs of its annual fupply muft, in that particular fituation, depend upon thofe two circumftances.

The abundance or fcantinefs of this fupply too feems to depend more upon the former of thofe two circumftances than upon the latter. Among the favage nations of hunters and fifhers, every individual who is able to work, is more or lefs employed in ufeful labor, and endeavours to provide, as well as he can, the neceffaries and conveniencies of life, for himfelf, or fuch of his family or tribe as are either too old, or too young, or too infirm to go a hunting and fifhing. Such nations, however, are fo miferably poor, that, from mere want, they are frequently reduced, or, at leaft, think themfelves reduced, to the neceffity fometimes of directly deftroying, and fometimes of abandoning their infants, their old people, and thofe afflicted with lingering difeafes, to perifh with hunger, or to be devoured by wild beafts. Among civilized and thriving nations, on the contrary, though a great number of people do not labor at all, many of whom confume the produce of ten times, frequently of a hundred times more labor than the greater part of thofe who work; yet the produce of the whole labor of the fociety is fo great, that all are often abundantly fupplied, and a workman, even of the

loweſt and pooreſt order, if he is frugal and induſtrious, may enjoy a greater ſhare of the neceſſaries and conveniencies of life than it is poſſible for any ſavage to acquire.

The cauſes of this improvement, in the productive powers of labor, and the order, according to which its produce is naturally diſtributed among the different ranks and conditions of men in the ſociety, make the ſubject of the Firſt Book of this Inquiry.

Whatever be the actual ſtate of the ſkill, dexterity, and judgment with which labor is applied in any nation, the abundance or ſcantineſs of its annual ſupply muſt depend, during the continuance of that ſtate, upon the proportion between the number of thoſe who are annually employed in uſeful labor, and that of thoſe who are not ſo employed. The number of uſeful and productive laborers, it will hereafter appear, is every where in proportion to the quantity of capital ſtock which is employed in ſetting them to work, and to the particular way in which it is ſo employed. The Second Book, therefore, treats of the nature of capital ſtock, of the manner in which it is gradually accumulated, and of the different quantities of labor which it puts into motion, according to the different ways in which it is employed.

Nations tolerably well advanced as to ſkill, dexterity, and judgment, in the application of labor, have followed very different plans in the general conduct or direction of it; and thoſe plans have not all been equally favorable to the greatneſs of

its produce. The policy of fome nations has given extraordinary encouragement to the induftry of the country; that of others to the induftry of towns. Scarce any nation has dealt equally and impartially with every fort of induftry. Since the downfal of the Roman empire, the policy of Europe has been more favorable to arts, manufactures, and commerce, the induftry of towns; than to agriculture, the induftry of the country. The circumftances which feem to have introduced and eftablifhed this policy are explained in the Third Book.

Though thofe different plans were, perhaps, firft introduced by the private interefts and prejudices of particular orders of men, without any regard to, or forefight of, their confequences upon the general welfare of the fociety; yet they have given occafion to very different theories of political œconomy; of which fome magnify the importance of that induftry which is carried on in towns, others of that which is carried on in the country. Thofe theories have had a confiderable influence, not only upon the opinions of men of learning, but upon the public conduct of princes and fovereign ftates. I have endeavoured, in the Fourth Book, to explain, as fully and diftinctly as I can, thofe different theories and the principal effects which they have produced in different ages and nations.

To explain in what has confifted the revenue of the great body of the people, or what has been the nature of thofe funds, which, in different ages and nations, have fupplied their annual confump-

tion, is the object of these Four first Books. The Fifth and last Book treats of the revenue of the sovereign, or commonwealth. In this book I have endeavoured to show; first, what are the necessary expenses of the sovereign, or commonwealth; which of those expenses ought to be defrayed by the general contribution of the whole society; and which of them, by that of some particular part only, or of some particular members of it: secondly, what are the different methods in which the whole society may be made to contribute towards defraying the expenses incumbent on the whole society, and what are the principal advantages and inconveniencies of each of those methods: and, thirdly and lastly, what are the reasons and causes which have induced almost all modern governments to mortgage some part of this revenue, or to contract debts; and what have been the effects of those debts upon the real wealth, the annual produce of the land and labor of the society.

BOOK I.

Of the Caufes of improvement in the productive Powers of Labor, and of the order according to which its Produce is naturally diftributed among the different Ranks of the People.

CHAP. I.

Of the Divifion of Labor.

THE greateft improvement in the productive powers of labor, and the greater part of the fkill, dexterity, and judgment with which it is any where directed, or applied, feem to have been the effects of the divifion of labor.

The effects of the divifion of labor, in the general bufinefs of fociety, will be more eafily underftóod, by confidering in what manner it operates in fome particular manufactures. It is commonly fuppofed to be carried furtheft in fome very trifling ones; not perhaps that it really is carried further in them than in others of more importance; but in thofe trifling manufactures which are deftined to fupply the fmall wants of but a fmall number of people, the whole number of workmen muft neceffarily be fmall; and thofe employed in every different branch of the work

can often be collected into the ſame workhouſe, and placed at once under the view of the ſpectator. In thoſe great manufactures, on the contrary, which are deſtined to ſupply the great wants of the great body of the people, every different branch of the work employs ſo great a number of workmen, that it is impoſſible to collect them all into the ſame workhouſe. We can ſeldom ſee more, at one time, than thoſe employed in one ſingle branch. Though in ſuch manufactures, therefore, the work may really be divided into a much greater number of parts, than in thoſe of a more trifling nature, the diviſion is not near ſo obvious, and has accordingly been much leſs obſerved.

To take an example, therefore, from a very trifling manufacture; but one in which the diviſion of labor has been very often taken notice of, the trade of the pin-maker; a workman not educated to this buſineſs, which the diviſion of labor has rendered a diſtinct trade, nor acquainted with the uſe of the machinery employed in it, to the invention of which the ſame diviſion of labor has probably given occaſion, could ſcarce, perhaps, with his utmoſt induſtry, make one pin in a day, and certainly could not make twenty. But in the way in which this buſineſs is now carried on, not only the whole work is a peculiar trade, but it is divided into a number of branches, of which the greater part are likewiſe peculiar trades. One man draws out the wire, another ſtraights it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head; to make the

head requires two or three diſtinct operations; to put it on, is a peculiar buſineſs, to whiten the pins is another; it is even a trade by itſelf to put them into the paper; and the important buſineſs of making a pin is, in this manner divided into about eighteen diſtinct operations, which, in ſome manufactories, are all performed by diſtinct hands, though in others the ſame man will ſometimes perform two or three of them. I have ſeen a ſmall manufactory of this kind where ten men only were employed, and where ſome of them conſequently performed two or three diſtinct operations. But though they were very poor, and therefore but indifferently accommodated with the neceſſary machinery, they could, when they exerted themſelves, make among them about twelve pounds of pins in a day. There are in a pound upwards of four thouſand pins of a middling ſize. Thoſe ten perſons, therefore, could make among them upwards of forty-eight thouſand pins in a day. Each perſon, therefore, making a tenth part of forty-eight thouſand pins, might be conſidered as making four thouſand eight hundred pins in a day. But if they had all wrought ſeparately and independently, and without any of them having been educated to this particular buſineſs, they certainly could not each of them have made twenty, perhaps not one pin in a day; that is, certainly, not the two hundred and fortieth, perhaps not the four thouſand eight hundredth part of what they are at preſent capable of perform-

ing, in confequence of a proper divifion and combination of their different operations.

In every other art and manufacture, the effects of the divifion of labor are fimilar to what they are in this very trifling one; though, in many of them, the labor can neither be fo much fubdivided, nor reduced to fo great a fimplicity of operation, the divifion of labor, however, fo far as it can be introduced, occafions, in every art, a proportionable increafe of the productive powers of labor. The feparation of different trades and employments from one another, feems to have taken place, in confequence of this advantage. This feparation too is generally carried furtheft in thofe countries which enjoy the higheft degree of induftry and improvement; what is the work of one man in a rude ftate of fociety, being generally that of feveral in an improved one. In every improved fociety, the farmer is generally nothing but a farmer; the manufacturer, nothing but a manufacturer. The labor too which is neceffary to produce any one complete manufacture, is almoft always divided among a great number of hands. How many different trades are employed in each branch of the linen and woollen manufactures, from the growers of the flax and the wool, to the bleachers and fmoothers of the linen, or to the dyers and dreffers of the cloth! The nature of agriculture, indeed does not admit of fo many fubdivifions of labor, nor of fo complete a feparation of one bufinefs from another, as manufactures. It is impoffible to feparate fo entirely, the bufinefs of

the grazier from that of the corn-farmer, as the trade of the carpenter is commonly ſeparated from that of the ſmith. The ſpinner is almoſt always a diſtinct perſon from the weaver; but the ploughman, the harrower, the ſower of the ſeed, and the reaper of the corn, are often the ſame. The occaſions for thoſe different ſorts of labor returning with the different ſeaſons of the year, it is impoſſible that one man ſhould be conſtantly employed in any one of them. This impoſſibility of making ſo complete and entire a ſeparation of all the different branches of labor employed in agriculture, is perhaps the reaſon why the improvement of the productive powers of labor in this art, does not always keep pace with their improvement in manufactures. The moſt opulent nations, indeed, generally excel all their neighbours in agriculture as well as in manufactures; but they are commonly more diſtinguiſhed by their ſuperiority in the latter than in the former. Their lands are in general better cultivated, and having more labor and expenſe beſtowed upon them, produce more in proportion to the extent and natural fertility of the ground. But this ſuperiority of produce is ſeldom much more than in proportion to the ſuperiority of labor and expenſe. In agriculture, the labor of the rich country is not always much more productive than that of the poor; or, at leaſt, it is never ſo much more productive, as it commonly is in manufactures. The corn of the rich country, therefore, will not always, in the ſame degree of goodneſs, come cheaper to

market than that of the poor. The corn of Poland, in the ſame degree of goodneſs, is as cheap as that of France, notwithſtanding the ſuperior opulence and improvement of the latter country. The corn of France is, in the corn-provinces, fully as good, and in moſt years nearly about the ſame price with the corn of England, though, in opulence and improvement, France is perhaps inferior to England. The corn-lands of England, however, are better cultivated than thoſe of France, and the corn-lands of France are ſaid to be much better cultivated than thoſe of Poland. But though the poor country, notwithſtanding the inferiority of its cultivation, can, in ſome meaſure, rival the rich in the cheapneſs and goodneſs of its corn, it can pretend to no ſuch competition in its manufactures; at leaſt if thoſe manufactures ſuit the ſoil, climate, and ſituation of the rich country. The ſilks of France are better and cheaper than thoſe of England, becauſe the ſilk manufacture, at leaſt under the preſent high duties upon the importation of raw ſilk, does not ſo well ſuit the climate of England as that of France. But the hard-ware and the coarſe woollens of England are beyond all compariſon ſuperior to thoſe of France, and much cheaper too in the ſame degree of goodneſs. In Poland there are ſaid to be ſcarce any manufactures of any kind, a few of thoſe coarſer houſehold manufactures excepted, without which no country can well ſubſiſt.

This great increaſe of the quantity of work, which, in conſequence of the diviſion of labor,

the ſame number of people are capable of performing, is owing to three different circumſtances; firſt, to the increaſe of dexterity in every particular workman; ſecondly, to the ſaving of the time which is commonly loſt in paſſing from one ſpecies of work to another; and laſtly, to the invention of a great number of machines which facilitate and abridge labor, and enable one man to do the work of many.

Firſt, the improvement of the dexterity of the workman neceſſarily increaſes the quantity of the work he can perform; and the diviſion of labor, by reducing every man's buſineſs to ſome one ſimple operation, and by making this operation the ſole employment of his life, neceſſarily increaſes very much the dexterity of the workman. A common ſmith, who, though accuſtomed to handle the hammer, has never been uſed to make nails, if upon ſome particular occaſion he is obliged to attempt it, will ſcarce, I am aſſured, be able to make above two or three hundred nails in a day, and thoſe too very bad ones. A ſmith who has been accuſtomed to make nails, but whoſe ſole or principal buſineſs has not been that of a nailer, can ſeldom with his utmoſt diligence make more than eight hundred or a thouſand nails in a day. I have ſeen ſeveral boys under twenty years of age who had never exercifed any other trade but that of making nails, and who, when they exerted themſelves, could make, each of them, upwards of two thouſand three hundred nails in a day. The making of a nail, however, is by no means one

of the ſimpleſt operations. The ſame perſon blows the bellows, ſtirs or mends the fire as there is occaſion, heats the iron, and forges every part of the nail: In forging the head too he is obliged to change his tools. The different operations into which the making of a pin, or of a metal button, is ſubdivided, are all of them much more ſimple, and the dexterity of the perſon, of whoſe life it has been the ſole buſineſs to perform them, is uſually much greater. The rapidity with which ſome of the operations of thoſe manufactures are performed, exceeds what the human hand could, by thoſe who had never ſeen them, be ſuppoſed capable of acquiring.

Secondly, the advantage which is gained by ſaving the time commonly loſt in paſſing from one ſort of work to another, is much greater than we ſhould at firſt view be apt to imagine it. It is impoſſible to paſs very quickly from one kind of work to another, that is carried on in a different place, and with quite different tools. A country weaver, who cultivates a ſmall farm, muſt loſe a good deal of time in paſſing from his loom to the field, and from the field to his loom. When the two trades can be carried on in the ſame workhouſe, the loſs of time is no doubt much leſs. It is even in this caſe, however, very conſiderable. A man commonly ſaunters a little in turning his hand from one ſort of employment to another. When he firſt begins the new work he is ſeldom very keen and hearty; his mind, as they ſay, does not go to it, and for ſome time he rather trifles than applies to good purpoſe. The

habit of ſauntering and of indolent careleſs application, which is naturally, or rather neceſſarily acquired by every country workman who is obliged to change his work and his tools every half hour, and to apply his hand in twenty different ways almoſt every day of his life; renders him almoſt always ſlothful and lazy, and incapable of any vigorous application even on the moſt preſſing occaſions. Independent, therefore, of his deficiency in point of dexterity, this cauſe alone muſt always reduce conſiderably the quantity of work which he is capable of performing.

Thirdly, and laſtly, every body muſt be ſenſible how much labor is facilitated and abridged by the application of proper machinery. It is unneceſſary to give any example. I ſhall only obſerve, therefore, that the invention of all thoſe machines by which labor is ſo much facilitated and abridged, ſeems to have been originally owing to the diviſion of labor. Men are much more likely to diſcover eaſier and readier methods of attaining any object, when the whole attention of their minds is directed towards that ſingle object, than when it is diſſipated among a great variety of things. But in conſequence of the diviſion of labor, the whole of every man's attention comes naturally to be directed towards ſome one very ſimple object. It is naturally to be expected, therefore, that ſome one or other of thoſe who are employed in each particular branch of labor, ſhould ſoon find out eaſier and readier methods of performing their own particular work, wherever the nature of it admits of ſuch

improvement. A great part of the machines made ufe of in thofe manufactures in which labor is moft fubdivided, were originally the inventions of common workmen, who, being each of them employed in fome very fimple operation, naturally turned their thoughts towards finding out eafier and readier methods of performing it. Whoever has been much accuftomed to vifit fuch manufactures, muft frequently have been fhown very pretty machines, which were the inventions of fuch workmen, in order to facilitate and quicken their own particular part of the work. In the firft fire-engines, a boy was conftantly employed to open and fhut alternately the communication between the boiler and the cylinder, according as the pifton either afcended or defcended. One of thofe boys, who loved to play with his companions, obferved that, by tying a ftring from the handle of the valve which opened this communication to another part of the machine, the valve would open and fhut without his affiftance, and leave him at liberty to divert himfelf with his play-fellows. One of the greateft improvements that has been made upon this machine, fince it was firft invented, was in this manner the difcovery of a boy who wanted to fave his own labor.

All the improvements in machinery, however, have by no means been the inventions of thofe who had occafion to ufe the machines. Many improvements have been made by the ingenuity of the makers of the machines, when to make them became the bufinefs of a peculiar trade; and

ſome by that of thoſe who are called philoſophers or men of ſpeculation, whoſe trade it is not to do any thing, but to obſerve every thing; and who, upon that account, are often capable of combining together the powers of the moſt diſtant and diſſimilar objects. In the progreſs of ſociety, philoſophy or ſpeculation becomes, like every other employment, the principal or ſole trade and occupation of a particular claſs of citizens. Like every other employment too, it is ſubdivided into a great number of different branches, each of which affords occupation to a peculiar tribe or claſs of philoſophers; and this ſubdiviſion of employment in philoſophy, as well as in every other buſineſs, improves dexterity, and ſaves time. Each individual becomes more expert in his own peculiar branch, more work is done upon the whole, and the quantity of ſcience is conſiderably increaſed by it.

It is the great multiplication of the productions of all the different arts, in conſequence of the diviſion of labor, which occaſions, in a well-governed ſociety, that univerſal opulence which extends itſelf to the loweſt ranks of the people. Every workman has a great quantity of his own work to diſpoſe of beyond what he himſelf has occaſion for; and every other workman being exactly in the ſame ſituation, he is enabled to exchange a great quantity of his own goods for a great quantity, or, what comes to the ſame thing, for the price of a great quantity

of

of theirs. He ſupplies them abundantly with what they have occaſion for, and they accommodate him as amply with what he has occaſion for, and a general plenty diffuſes itſelf through all the different ranks of the ſociety.

Obſerve the accommodation of the moſt common artificer or day-laborer in a civilized and thriving country, and you will perceive that the number of people of whoſe induſtry a part, though but a ſmall part, has been employed in procuring him this accommodation, exceeds all computation. The woollen coat, for example, which covers the day-laborer, as coarſe and rough as it may appear, is the produce of the joint labor of a great multitude of workmen. The ſhepherd, the ſorter of the wool, the wool-comber or carder, the dyer, the ſcribbler, the ſpinner, the weaver, the fuller, the dreſſer, with many others, muſt all join their different arts in order to complete even this homely production. How many merchants and carriers, beſides, muſt have been employed in tranſporting the materials from ſome of thoſe workmen to others who often live in a very diſtant part of the country! how much commerce and navigation in particular, how many ſhip-builders, ſailors, ſail-makers, rope-makers, muſt have been employed in order to bring together the different drugs made uſe of by the dyer, which often come from the remoteſt corners of the world! What a variety of labor too is neceſſary in order to produce the tools of the meaneſt of thoſe workmen! To ſay nothing of ſuch complicated

machines as the ſhip of the ſailor, the mill of the fuller, or even the loom of the weaver, let us conſider only what a variety of labor is requiſite in order to form that very ſimple machine, the ſhears with which the ſhepherd clips the wool. The miner, the builder of the furnace for ſmelting the ore, the feller of the timber, the burner of the charcoal to be made uſe of in the ſmelting-houſe, the brick-maker, the brick-layer, the workmen who attend the furnace, the mill-wright, the forger, the ſmith, muſt all of them join their different arts in order to produce them. Were we to examine, in the ſame manner, all the different parts of his dreſs and houſehold furniture, the coarſe linen ſhirt which he wears next his ſkin, the ſhoes which cover his feet, the bed which he lies on, and all the different parts which compoſe it, the kitchen-grate at which he prepares his victuals, the coals which he makes uſe of for that purpoſe, dug from the bowels of the earth, and brought to him perhaps by a long ſea and a long land carriage, all the other utenſils of his kitchen, all the furniture of his table, the knives and forks, the earthen or pewter plates upon which he ſerves up and divides his victuals, the different hands employed in preparing his bread and his beer, the glaſs-window which lets in the heat and the light, and keeps out the wind and the rain, with all the knowledge and art requiſite for preparing that beautiful and happy invention, without which theſe northern parts of the world could ſcarce have afforded a very

comfortable habitation, together with the tools of all the different workmen employed in producing thoſe different conveniencies; if we examine, I ſay, all theſe things, and conſider what a variety of labor is employed about each of them, we ſhall be ſenſible that without the aſſiſtance and co-operation of many thouſands, the very meaneſt perſon in a civilized country could not be provided, even according to, what we very falſly imagine, the eaſy and ſimple manner in which he is commonly accommodated. Compared, indeed, with the more extravagant luxury of the great, his accommodation muſt no doubt appear extremely ſimple and eaſy; and yet it may be true, perhaps, that the accommodation of an European prince does not always ſo much exceed that of an induſtrious and frugal peaſant, as the accommodation of the latter exceeds that of many an African king, the abſolute maſter of the lives and liberties of ten thouſand naked ſavages.

CHAP. II.

Of the principle which gives occaſion to the Diviſion of Labor.

THIS diviſion of labor, from which ſo many advantages are derived, is not originally the effect of any human wiſdom, which foreſees and intends that general opulence to which it

gives occaſion. It is the neceſſary, though very ſlow and gradual conſequence of a certain propenſity in human nature which has in view no ſuch extenſive utility; the propenſity to truck, barter, and exchange one thing for another.

Whether this propenſity be one of thoſe original principles in human nature, of which no further account can be given; or whether, as ſeems more probable, it be the neceſſary conſequence of the faculties of reaſon and ſpeech, it belongs not to our preſent ſubject to inquire. It is common to all men, and to be found in no other race of animals, which ſeem to know neither this nor any other ſpecies of contracts. Two greyhounds, in running down the ſame hare, have ſometimes the appearance of acting in ſome ſort of concert. Each turns her towards his companion, or endeavours to intercept her when his companion turns her towards himſelf. This, however, is not the effect of any contract, but of the accidental concurrence of their paſſions in the ſame object at that particular time. Nobody ever ſaw a dog make a fair and deliberate exchange of one bone for another with another dog. Nobody ever ſaw one animal by its geſtures and natural cries ſignify to another, this is mine, that yours; I am willing to give this for that. When an animal wants to obtain ſomething either of a man or of another animal, it has no other means of perſuaſion but to gain the favor of thoſe whoſe ſervice it requires. A puppy fawns upon its dam, and a ſpaniel endeavours

by a thousand attractions to engage the attention of its master who is at dinner, when it wants to be fed by him. Man sometimes uses the same arts with his brethren, and when he has no other means of engaging them to act according to his inclinations, endeavours by every servile and fawning attention to obtain their good will. He has not time, however, to do this upon every occasion. In civilized society he stands at all times in need of the co-operation and assistance of great multitudes, while his whole life is scarce sufficient to gain the friendship of a few persons. In almost every other race of animals each individual, when it is grown up to maturity, is entirely independent, and in its natural state has occasion for the assistance of no other living creature. But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. He will be more likely to prevail if he can interest their self-love in his favor, and show them that it is for their own advantage to do for him what he requires of them. Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need of. It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their

regard to their own intereſt. We addreſs ourſelves, not to their humanity but to their ſelf-love, and never talk to them of our own neceſſities but of their advantages. Nobody but a beggar chuſes to depend chiefly upon the benevolence of his fellow-citizens. Even a beggar does not depend upon it entirely. The charity of well-diſpoſed people, indeed, ſupplies him with the whole fund of his ſubſiſtence. But though this principle ultimately provides him with all the neceſſaries of life which he has occaſion for, it neither does nor can provide him with them as he has occaſion for them. The greater part of his occaſional wants are ſupplied in the ſame manner as thoſe of other people, by treaty, by barter, and by purchaſe. With the money which one man gives him he purchaſes food. The old cloaths which another beſtows upon him he exchanges for other old cloaths which ſuit him better, or for lodging, or for food, or for money, with which he can buy either food, cloaths, or lodging, as he has occaſion.

As it is by treaty, by barter, and by purchaſe, that we obtain from one another the greater part of thoſe mutual good offices which we ſtand in need of, ſo it is this ſame trucking diſpoſition which originally gives occaſion to the diviſion of labor. In a tribe of hunters or ſhepherds a particular perſon makes bows and arrows, for example, with more readineſs, and dexterity than any other. He frequently exchanges them for cattle or for veniſon with his companions; and

he finds at laſt that he can in this manner get more cattle and veniſon, than if he himſelf went to the field to catch them. From a regard to his own intereſt, therefore, the making of bows and arrows grows to be his chief buſineſs, and he becomes a ſort of armorer. Another excels in making the frames and covers of their little huts or moveable houſes. He is accuſtomed to be of uſe in this way to his neighbours, who reward him in the ſame manner with cattle and with veniſon, till at laſt he finds it his intereſt to dedicate himſelf entirely to this employment, and to become a ſort of houſe-carpenter. In the ſame manner a third becomes a ſmith or a brazier, a fourth a tanner or dreſſer of hides or ſkins, the principal part of the clothing of ſavages. And thus the certainty of being able to exchange all that ſurplus part of the produce of his own labor, which is over and above his own conſumption, for ſuch parts of the produce of other men's labor as he may have occaſion for, encourages every man to apply himſelf to a particular occupation, and to cultivate and bring to perfection whatever talent or genius he may poſſeſs for that particular ſpecies of buſineſs.

The difference of natural talents in different men is, in reality, much leſs than we are aware of; and the very different genius which appears to diſtinguiſh men of different profeſſions, when grown up to maturity, is not upon many occaſions ſo much the cauſe, as the effect of the diviſion of labor. The difference between the

most diſſimilar characters, between a philoſopher and a common ſtreet-porter, for example, ſeems to ariſe not ſo much from nature as from habit, cuſtom, and education. When they came into the world, and for the firſt ſix or eight years of their exiſtence, they were, perhaps, very much alike, and neither their parents nor play-fellows could perceive any remarkable difference. About that age, or ſoon after, they come to be employed in very different occupations. The difference of talents comes then to be taken notice of, and widens by degrees, till at laſt the vanity of the philoſopher is willing to acknowledge ſcarce any reſemblance. But without the diſpoſition to truck, barter, and exchange, every man muſt have procured to himſelf every neceſſary and conveniency of life which he wanted. All muſt have had the ſame duties to perform, and the ſame work to do, and there could have been no ſuch difference of employment as could alone give occaſion to any great difference of talents.

As it is this diſpoſition which forms that difference of talents, ſo remarkable among men of different profeſſions, ſo it is this ſame diſpoſition which renders that difference uſeful. Many tribes of animals acknowledged to be all of the ſame ſpecies, derive from nature a much more remarkable diſtinction of genius, than what, antecedent to cuſtom and education, appears to take place among men. By nature a philoſopher is not in genius and diſpoſition half ſo different from a ſtreet-porter, as a maſtiff is from a greyhound, or a greyhound from a ſpaniel, or this

laſt from a ſhepherd's dog. Thoſe different tribes of animals, however, though all of the ſame ſpecies, are of ſcarce any uſe to one another. The ſtrength of the maſtiff is not, in the leaſt, ſupported either by the ſwiftneſs of the greyhound, or by the ſagacity of the ſpaniel; or by the docility of the ſhepherd's dog. The effects of thoſe different geniuſes and talents, for want of the power or diſpoſition to barter and exchange, cannot be brought into a common ſtock, and do not in the leaſt contribute to the better accommodation and conveniency of the ſpecies. Each animal is ſtill obliged to ſupport and defend itſelf, ſeparately and independently, and derives no ſort of advantage from that variety of talents with which nature has diſtinguiſhed its fellows. Among men, on the contrary, the moſt diſſimilar geniuſes are of uſe to one another; the different produces of their reſpective talents, by the general diſpoſition to truck, barter, and exchange, being brought, as it were, into a common ſtock, where every man may purchaſe whatever part of the produce of other men's talents he has occaſion for.

CHAP III.

That the Division of Labor is limited by the Extent of the Market.

As it is the power of exchanging that gives occasion to the division of labor, so the extent of this division must always be limited by the extent of that power, or, in other words, by the extent of the market. When the market is very small, no person can have any encouragement to dedicate himself entirely to one employment, for want of the power to exchange all that surplus part of the produce of his own labor, which is over and above his own consumption, for such parts of the produce of other men's labor as he has occasion for.

There are some sorts of industry, even of the lowest kind, which can be carried on no where but in a great town. A porter, for example, can find employment and subsistence in no other place. A village is by much to narrow a sphere for him; even an ordinary market-town is scarce large enough to afford him constant occupation. In the lone houses and very small villages which are scattered about in so desert a country as the Highlands of Scotland, every farmer must be butcher, baker and brewer for his own family. In such situations we can scarce expect to find even a smith, a carpenter, or a mason, within less than twenty miles of another of the same trade. The scattered families that

live at eight or ten miles diſtance from the neareſt of them, muſt learn to perform themſelves a great number of little pieces of work, for which, in more populous countries, they would call in the aſſiſtance of thoſe workmen. Country-workmen are almoſt every where obliged to apply themſelves to all the different branches of induſtry that have ſo much affinity to one another as to be employed about the ſame ſort of materials. A country carpenter deals in every ſort of work that is made of wood: a country ſmith in every ſort of work that is made of iron. The former is not only a carpenter, but a joiner, a cabinet-maker, and even a carver in wood, as well as a wheelwright, a plough-wright, a cart and waggon-maker. The employments of the latter are ſtill more various. It is impoſſible there ſhould be ſuch a trade as even that of a nailer in the remote and inland parts of the Highlands of Scotland. Such a workman at the rate of a thouſand nails a day, and three hundred working days in the year, will make three hundred thouſand nails in the year. But in ſuch a ſituation it would be impoſſible to diſpoſe of one thouſand, that is, of one day's work in the year.

As by means of water-carriage a more extenſive market is opened to every ſort of induſtry than what land-carriage alone can afford it, ſo it is upon the ſea-coaſt, and along the banks of navigable rivers, that induſtry of every kind naturally begins to ſubdivide and improve itſelf, and it is frequently not till a long time after that

thoſe improvements extend themſelves to the inland parts of the country. A broad-wheeled waggon, attended by two men, and drawn by eight horſes, in about ſix weeks time carries and brings back between London and Edinburgh near four ton weight of goods. In about the ſame time a ſhip navigated by ſix or eight men, and ſailing between the ports of London and Leith, frequently carries and brings back two hundred ton weight of goods. Six or eight men, therefore, by the help of water-carriage, can carry and bring back in the ſame time the ſame quantity of goods between London and Edinburgh, as fifty broad-wheeled waggons, attended by a hundred men, and drawn by four hundred horſes. Upon two hundred tons of goods, therefore, carried by the cheapeſt land-carriage from London to Edinburgh, there muſt be charged the maintenance of a hundred men for three weeks, and both the maintenance, and, what is nearly equal to the maintenance, the wear and tear of four hundred horſes as well as of fifty great waggons. Whereas, upon the ſame quantity of goods carried by water, there is to be charged only the maintenance of ſix or eight men, and the wear and tear of a ſhip of two hundred tons burden, together with the value of the ſuperior riſk, or the difference of the inſurance between land and water-carriage. Were there no other communication between thoſe two places, therefore, but by land-carriage, as no goods could be tranſported from the one to the other, except ſuch whoſe price was very conſiderable

in proportion to their weight, they could carry on but a ſmall part of that commerce which at preſent ſubſiſts between them, and conſequently could give but a ſmall part of that encouragement which they at preſent mutually afford to each other's induſtry. There could be little or no commerce of any kind, between the diſtant parts of the world. What goods could bear the expenſe of land carriage between London and Calcutta? Or if there were any ſo precious as to be able to ſupport this expenſe, with what ſafety could they be tranſported through the territories of ſo many barbarous nations? Thoſe two cities, however, at preſent carry on a very conſiderable commerce with each other, and by mutually affording a market, give a good deal of encouragement to each other's induſtry.

Since ſuch, therefore, are the advantages of water-carriage, it is natural that the firſt improvements of art and induſtry ſhould be made where this conveniency opens the whole world for a market to the produce of every ſort of labor, and that they ſhould always be much later in extending themſelves into the inland parts of the country. The inland parts of the country can for a long time have no other market for the greater part of their goods, but the country which lies round about them, and ſeparates them from the ſea-coaſt, and the great navigable rivers. The extent of their market, therefore, muſt for a long time be in proportion to the riches and populouſneſs of that country, and conſequently their improvement muſt always be poſterior to

the improvement of that country. In our North American colonies the plantations have conſtantly followed either the ſea-coaſt or the banks of the navigable rivers, and have ſcarce any where extended themſelves to any conſiderable diſtance from both.

The nations that, according to the beſt authentical hiſtory, appear to have been firſt civilized, were thoſe that dwelt round the coaſt of the Mediterranean ſea. That ſea, by far the greateſt inlet that is known in the world, having no tides, nor conſequently any waves except ſuch as are cauſed by the wind only, was, by the ſmoothneſs of its ſurface, as well as by the multitude of its iſlands, and the proximity of its neighbouring ſhores, extremely favorable to the infant navigation of the world; when, from their ignorance of the compaſs, men were afraid to quit the view of the coaſt, and from the imperfection of the art of ſhip-building, to abandon themſelves to the boiſterous waves of the ocean. To paſs beyond the pillars of Hercules, that is, to ſail out of the Streights of Gibraltar, was, in the ancient world, long conſidered as a moſt wonderful and dangerous exploit of navigation. It was late before even the Phenicians and Carthaginians, the moſt ſkilful navigators and ſhipbuilders of thoſe old times, attempted it, and they were for a long time the only nations that did attempt it.

Of all the countries on the coaſt of the Mediterranean ſea, Egypt ſeems to have been the firſt in which either agriculture or manufactures were

cultivated and improved to any confiderable degree. Upper Egypt extends itfelf nowhere above a few miles from the Nile, and in Lower Egypt that great river breaks itfelf into many different canals, which, with the affiftance of a little art, feem to have afforded a communication by water-carriage, not only between all the great towns, but between all the confiderable villages, and even to many farm-houfes in the country; nearly in the fame manner as the Rhine and the Maefe do in Holland at prefent. The extent and eafinefs of this inland navigation was probably one of the principal caufes of the early improvement of Egypt.

The improvements in agriculture and manufactures feem likewife to have been of very great antiquity in the provinces of Bengal in the Eaft Indies, and in fome of the eaftern provinces of China; though the great extent of this antiquity is not authenticated by any hiftories of whofe authority we, in this part of the world, are well affured. In Bengal the Ganges and feveral other great rivers form a great number of navigable canals in the fame manner as the Nile does in Egypt. In the Eaftern provinces of China too, feveral great rivers form, by their different branches, a multitude of canals, and by communicating with one another afford an inland navigation much more extenfive than that either of the Nile or the Ganges, or perhaps than both of them put together. It is remarkable that neither the ancient Egyptians, nor the Indians, nor the Chinefe, encouraged foreign commerce, but

feem all to have derived their great opulence from this inland navigation.

All the inland parts of Africa, and all that part of Afia which lies any confiderable way north of the Euxine and Cafpian feas, the ancient Scythia, the modern Tartary and Siberia, feem in all ages of the world to have been in the fame barbarous and uncivilized ftate in which we find them at prefent. The fea of Tartary is the frozen ocean which admits of no navigation, and though fome of the greateft rivers in the world run through that country, they are at too great a diftance from one another to carry commerce and communication through the greater part of it. There are in Africa none of thofe great inlets, fuch as the Baltic and Adriatic feas in Europe, the Mediterranean and Euxine feas in both Europe and Afia, and the gulphs of Arabia, Perfia, India, Bengal, and Siam, in Afia, to carry maritime commerce into the interior parts of that great continent: and the great rivers of Africa are at too great a diftance from one another to give occafion to any confiderable inland navigation.[a] The commerce befides which any nation can carry on by means of a river which does not break itfelf into any great number of branches or canals, and which runs into another territory before it reaches the fea, can never be very confiderable; becaufe it is always in the power of the nations who poffefs that other territory to obftruct the communication between the upper country and the fea. The navigation of the Danube is of very little ufe to the different

ftates

ſtates of Bavaria, Auſtria and Hungary, in compariſon of what it would be if any of them poſſeſſed the whole of its courſe till it falls into the Black Sea.

CHAP. IV.

Of the Origin and Uſe of Money.

WHEN the diviſion of labor has been once thoroughly eſtabliſhed, it is but a very ſmall part of a man's wants which the produce of his own labor can ſupply. He ſupplies the far greater part of them by exchanging that ſurplus part of the produce of his own labor, which is over and above his own conſumption, for ſuch parts of the produce of other men's labor as he has occaſion for. Every man thus lives by exchanging, or becomes in ſome meaſure a merchant, and the ſociety itſelf grows to be what is properly a commercial ſociety.

But when the diviſion of labor firſt began to take place, this power of exchanging muſt frequently have been very much clogged and embarraſſed in its operations. One man, we ſhall ſuppoſe, has more of a certain commodity than he himſelf has occaſion for, while another has leſs. The former conſequently would be glad to diſpoſe of, and the latter to purchaſe, a part of this ſuperfluity. But if this latter ſhould chance to have nothing that the former ſtands in need of, no exchange can be made between them.

The butcher has more meat in his ſhop than he himſelf can conſume, and the brewer and the baker would each of them be willing to purchaſe a part of it. But they have nothing to offer in exchange, except the different productions of their reſpective trades, and the butcher is already provided with all the bread and beer which he has immediate occaſion for. No exchange can, in this caſe, be made between them. He cannot be their merchant, nor they his cuſtomers; and they are all of them thus mutually leſs ſerviceable to one another. In order to avoid the inconveniency of ſuch ſituations, every prudent man in every period of ſociety, after the firſt eſtabliſhment of the diviſion of labor, muſt naturally have endeavoured to manage his affairs in ſuch a manner, as to have at all times by him, beſides the peculiar produce of his own induſtry, a certain quantity of ſome one commodity or other, ſuch as he imagined few people would be likely to refuſe in exchange for the produce of their induſtry.

Many different commodities, it is probable, were ſucceſſively both thought of and employed for this purpoſe. In the rude ages of ſociety, cattle are ſaid to have been the common inſtrument of commerce; and, though they muſt have been a moſt inconvenient one, yet in old times we find things were frequently valued according to the number of cattle which had been given in exchange for them. The armor of Diomede, ſays Homer, coſt only nine oxen; but that of Glaucus coſt a hundred oxen. Salt is ſaid to

be the common inſtrument of commerce and exchanges in Abyſſinia; a ſpecies of ſhells in ſome parts of the coaſt of India; dried cod at Newfoundland; tobacco in Virginia; ſugar in ſome of our Weſt India colonies; hides or dreſſed leather in ſome other countries; and there is at this day a village in Scotland where it is not uncommon, I am told, for a workman to carry nails inſtead of money to the baker's ſhop or the ale-houſe.

In all countries, however, men ſeem at laſt to have been determined by irreſiſtible reaſons to give the preference, for this employment, to metals above every other commodity. Metals can not only be kept with as little loſs as any other commodity, ſcarce any thing being leſs periſhable than they are, but they can likewiſe, without any loſs, be divided into any number of parts, as by fuſion thoſe parts can eaſily be reunited again; a quality which no other equally durable commodities poſſeſs, and which more than any other quality renders them fit to be the inſtruments of commerce and circulation. The man who wanted to buy ſalt, for example, and had nothing but cattle to give in exchange for it, muſt have been obliged to buy ſalt to the value of a whole ox, or a whole ſheep at a time. He could ſeldom buy leſs than this, becauſe what he was to give for it could ſeldom be divided without loſs; and if he had a mind to buy more, he muſt, for the ſame reaſons, have been obliged to buy double or triple the quantity, the value, to wit, of two or three oxen, or of two or three ſheep. If, on

the contrary, inſtead of ſheep or oxen, he had metals to give in exchange for it, he could eaſily proportion the quantity of the metal to the preciſe quantity of the commodity which he had immediate occaſion for.

Different metals have been made uſe of by different nations for this purpoſe. Iron was the common inſtrument of commerce among the ancient Spartans; copper among the ancient Romans; and gold and ſilver among all rich and commercial nations.

Thoſe metals ſeem originally to have been made uſe of for this purpoſe in rude bars, without any ſtamp or coinage. Thus we are told by Pliny*, upon the authority of Timæus, an ancient hiſtorian, that, till the time of Servius Tullius, the Romans had no coined money, but made uſe of unſtamped bars of copper, to purchaſe whatever they had occaſion for. Theſe rude bars, therefore, performed at this time the function of money.

The uſe of metals in this rude ſtate was attended with two very conſiderable inconveniencies; firſt, with the trouble of weighing; and, ſecondly, with that of aſſaying them. In the precious metals, where a ſmall difference in the quantity makes a great difference in the value, even the buſineſs of weighing, with proper exactneſs, requires at leaſt very accurate weights and ſcales. The weighing of gold in particular is an operation

* Plin. Hiſt. Nat. lib. 33. cap. 3.

of ſome nicety. In the coarſer metals, indeed, where a ſmall error would be of little conſequence, leſs accuracy would, no doubt, be neceſſary. Yet we ſhould find it exceſſively troubleſome, if every time a poor man had occaſion either to buy or ſell a farthing's worth of goods, he was obliged to weigh the farthing. The operation of aſſaying is ſtill more difficult, ſtill more tedious, and, unleſs a part of the metal is fairly melted in the crucible, with proper diſſolvents, any concluſion that can be drawn from it, is extremely uncertain. Before the inſtitution of coined money, however, unleſs they went through this tedious and difficult operation, people muſt always have been liable to the groſſeſt frauds and impoſitions, and inſtead of a pound weight of pure ſilver, or pure copper, might receive in exchange for their goods, an adulterated compoſition of the coarſeſt and cheapeſt materials, which had, however, in their outward appearance, been made to reſemble thoſe metals. To prevent ſuch abuſes, to facilitate exchanges, and thereby to encourage all ſorts of induſtry and commerce, it has been found neceſſary, in all countries that have made any conſiderable advances towards improvement, to affix a public ſtamp upon certain quantities of ſuch particular metals, as were in thoſe countries commonly made uſe of to purchaſe goods. Hence the origin of coined money, and of thoſe public offices called mints; inſtitutions exactly of the ſame nature with thoſe of the aulnagers and ſtampmaſters of woollen

and linen cloth. All of them are equally meant to aſcertain, by means of a public ſtamp, the quantity and uniform goodneſs of thoſe different commodities when brought to market.

The firſt public ſtamps of this kind that were affixed to the current metals, ſeem in many caſes to have been intended to aſcertain, what it was both moſt difficult and moſt important to aſcertain, the goodneſs or fineneſs of the metal, and to have reſembled the ſterling mark which is at preſent affixed to plate and bars of ſilver, or the Spaniſh mark which is ſometimes affixed to ingots of gold, and which being ſtruck only upon one ſide of the piece, and, not covering the whole ſurface, aſcertains the fineneſs, but not the weight of the metal. Abraham weighs to Ephron the four hundred ſhekels of ſilver which he had agreed to pay for the field of Machpelah. They are ſaid however to be the current money of the merchant, and yet are received by weight and not by tale, in the ſame manner as ingots of gold and bars of ſilver are at preſent. The revenues of the ancient Saxon kings of England are ſaid to have been paid, not in money but in kind, that is, in victuals and proviſions of all ſorts. William the Conqueror introduced the cuſtom of paying them in money. This money, however, was for a long time, received at the exchequer, by weight and not by tale.

The inconveniency and difficulty of weighing thoſe metals with exactneſs gave occaſion to the inſtitution of coins, of which the ſtamp, covering entirely both ſides of the piece and ſometimes

the edges too, was ſuppoſed to aſcertain not only the fineneſs, but the weight of the metal. Such coins, therefore, were received by tale as at preſent, without the trouble of weighing.

The denominations of thoſe coins ſeem originally to have expreſſed the weight or quantity of metal contained in them. In the time of Servius Tullius, who firſt coined money at Rome, the Roman As or Pondo contained a Roman pound of good copper. It was divided in the ſame manner as our Troyes pound, into twelve ounces, each of which contained a real ounce of good copper. The Engliſh pound ſterling, in the time of Edward I, contained a pound, Tower weight, of ſilver of a known fineneſs. The Tower pound ſeems to have been ſomething more than the Roman pound, and ſomething leſs than the Troyes pound. This laſt was not introduced into the mint of England till the 18th of Henry VIII. The French livre contained in the time of Charlemagne a pound, Troyes weight, of ſilver of a known fineneſs. The fair of Troyes in Champaign was at that time frequented by all the nations of Europe, and the weights and meaſures of ſo famous a market were generally known and eſteemed. The Scots money pound contained, from the time of Alexander the Firſt to that of Robert Bruce, a pound of ſilver of the ſame weight and fineneſs with the Engliſh pound ſterling. Engliſh, French, and Scots pennies too, contained all of them originally a real pennyweight of ſilver, the twentieth part of an ounce, and the two-hundred-and-fortieth part of

a pound. The ſhilling too ſeems originally to have been the denomination of a weight. *When wheat is at twelve shillings the quarter*, ſays an ancient ſtatute of Henry III. *then waſtel bread of a farthing shall weigh eleven shillings and four pence.* The proportion, however, between the ſhilling and either the penny on the one hand, or the pound on the other, ſeems not to have been ſo conſtant and uniform as that between the penny and the pound. During the firſt race of the kings of France, the French ſou or ſhilling appears upon different occaſions to have contained five, twelve, twenty, and forty pennies. Among the ancient Saxons a ſhilling appears at one time to have contained only five pennies, and it is not improbable that it may have been as variable among them as among their neighbours, the ancient Franks. From the time of Charlemagne among the French, and from that of William the Conqueror among the Engliſh, the proportion between the pound, the ſhilling, and the penny, ſeems to have been uniformly the ſame as the preſent, though the value of each has been very different. For in every country of the world, I believe, the avarice and injuſtice of princes and ſovereign ſtates, abuſing the confidence of their ſubjects, have by degrees diminiſhed the real quantity of metal, which had been originally contained in their coins. The Roman As, in the latter ages of the Republic, was reduced to the twenty-fourth part of its original value, and, inſtead of weighing a pound, came to weigh only

half an ounce. The Engliſh pound and penny contain at preſent about a third only; the Scots pound and penny about a thirty-ſixth; and the French pound and penny about a ſixty-ſixth part of their original value. By means of thoſe operations the princes and ſovereign ſtates which performed them were enabled, in appearance, to pay their debts and to fulfil their engagements with a ſmaller quantity of ſilver than would otherwiſe have been requiſite. It was indeed in appearance only; for their creditors were really defrauded of a part of what was due to them. All other debtors in the ſtate were allowed the ſame privilege, and might pay with the ſame nominal ſum of the new and debaſed coin whatever they had borrowed in the old. Such operations, therefore, have always proved favorable to the debtor, and ruinous to the creditor, and have ſometimes produced a greater and more univerſal revolution in the fortunes of private perſons, than could have been occaſioned by a very great public calamity.

It is in this manner that money has become in all civilized nations the univerſal inſtrument of commerce, by the intervention of which goods of all kinds are bought and ſold, or exchanged for one another.

What are the rules which men naturally obſerve in exchanging them either for money or for one another, I ſhall now proceed to examine. Theſe rules determine what may be called the relative or exchangeable value of goods.

The word VALUE, it is to be obferved, has two different meanings, and fometimes expreffes the utility of fome particular object, and fometimes the power of purchafing other goods which the poffeffion of that object conveys. The one may be called "value in ufe;" the other, "value in "exchange." The things which have the greateft value in ufe have frequently little or no value in exchange; and, on the contrary, thofe which have the greateft value in exchange have frequently little or no value in ufe. Nothing is more ufeful than water: but it will purchafe fcarce any thing; fcarce any thing can be had in exchange for it. A diamond, on the contrary, has fcarce any value in ufe; but a very great quantity of other goods may frequently be had in exchange for it.

In order to inveftigate the principles which regulate the exchangeable value of commodities, I fhall endeavour to fhow,

Firft, what is the real meafure of this exchangeable value; or, wherein confifts the real price of all commodities.

Secondly, what are the different parts of which this real price is compofed or made up.

And, laftly, what are the different circumftances which fometimes raife fome or all of thefe different parts of price above, and fometimes fink them below their natural or ordinary rate; or, what are the caufes which fometimes hinder the market price, that is, the actual price of commodities, from coinciding exactly with what may be called their natural price.

I ſhall endeavour to explain, as fully and diſtinctly as I can, thoſe three ſubjects in the three following chapters, for which I muſt very earneſtly entreat both the patience and attention of the reader: his patience in order to examine a detail which may perhaps in ſome places appear unneceſſarily tedious; and his attention in order to underſtand what may, perhaps, after the fulleſt explication which I am capable of giving of it, appear ſtill in ſome degree obſcure. I am always willing to run ſome hazard of being tedious in order to be ſure that I am perſpicuous; and after taking the utmoſt pains that I can to be perſpicuous, ſome obſcurity may ſtill appear to remain upon a ſubject in its own nature extremely abſtracted.

CHAP. V.

Of the real and nominal Price of Commodities, or of their Price in Labor, and their Price in Money.

EVERY man is rich or poor according to the degree in which he can afford to enjoy the neceſſaries, conveniencies, and amuſements of human life. But after the diviſion of labor has once thoroughly taken place, it is but a very ſmall part of theſe with which a man's own labor can ſupply him. The far greater part of them he muſt derive from the labor of other people, and he muſt be rich or poor according

to the quantity of that labor which he can command, or which he can afford to purchafe. The value of any commodity, therefore, to the perfon who poffeffes it, and who means not to ufe or confume it himfelf, but to exchange it for other commodities, is equal to the quantity of labor which it enables him to purchafe or command. Labor, therefore, is the real meafure of the exchangeable value of all commodities.

The real price of every thing, what every thing really cofts to the man who wants to acquire it, is the toil and trouble of acquiring it. What every thing is really worth to the man who has acquired it, and who wants to difpofe of it or exchange it for fomething elfe, is the toil and trouble which it can fave to himfelf, and which it can impofe upon other people. What is bought with money or with goods is purchafed by labor as much as what we acquire by the toil of our own body. That money or thofe goods indeed fave us this toil. They contain the value of a certain quantity of labor which we exchange for what is fuppofed at the time to contain the value of an equal quantity. Labor was the firft price, the original purchafe-money that was paid for all things. It was not by gold or by filver, but by labor, that all the wealth of the world was originally purchafed; and its value, to thofe who poffefs it, and who want to exchange it for fome new productions, is precifely equal to the quantity of labor which it can enable them to purchafe or command.

Wealth, as Mr. Hobbes ſays, is power. But the perſon who either acquires, or ſucceeds to a great fortune, does not neceſſarily acquire or ſucceed to any political power, either civil or military. His fortune may, perhaps, afford him the means of acquiring both, but the mere poſſeſſion of that fortune does not neceſſarily convey to him either. The power which that poſſeſſion immediately and directly conveys to him, is the power of purchaſing; a certain command over all the labor, or over all the produce of labor which is then in the market. His fortune is greater or leſs, preciſely in proportion to the extent of this power; or to the quantity either of other men's labor, or, what is the ſame thing, of the produce of other men's labor, which it enables him to purchaſe or command. The exchangeable value of every thing muſt always be preciſely equal to the extent of this power which it conveys to its owner.

But though labor be the real meaſure of the exchangeable value of all commodities, it is not that by which their value is commonly eſtimated. It is often difficult to aſcertain the proportion between two different quantities of labor. The time ſpent in two different ſorts of work will not always alone determine this proportion. The different degrees of hardſhip endured, and of ingenuity exerciſed, muſt likewiſe be taken into account. There may be more labor in an hour's hard work than in two hours eaſy buſineſs; or in an hour's application to a trade which it coſt ten years labor to learn, than in a month's induſtry

at an ordinary and obvious employment. But it is not eafy to find any accurate meafure either of hardfhip or ingenuity. In exchanging indeed the different productions of different forts of labor for one another, fome allowance is commonly made for both. It is adjufted, however, not by accurate meafure, but by the higgling and bargaining of the market, according to that fort of rough equality which, though not exact, is fufficient for carrying on the bufinefs of common life.

Every commodity befides, is more frequently exchanged for, and thereby compared with, other commodities than with labor. It is more natural, therefore, to eftimate its exchangeable value by the quantity of fome other commodity than by that of the labor which it can purchafe. The greater part of people too underftand better what is meant by a quantity of a particular commodity, than by a quantity of labor. The one is a plain palpable object; the other an abftract notion, which, though it can be made fufficiently intelligible, is not altogether fo natural and obvious.

But when barter ceafes, and money has become the common inftrument of commerce, every particular commodity is more frequently exchanged for money than for any other commodity. The butcher feldom carries his beef or his mutton to the baker, or the brewer, in order to exchange them for bread or for beer; but he carries them to the market, where he exchanges them for money, and afterwards exchanges that

money for bread and for beer. The quantity of money which he gets for them regulates too the quantity of bread and beer which he can afterwards purchaſe. It is more natural and obvious to him, therefore, to eſtimate their value by the quantity of money, the commodity for which he immediately exchanges them, than by that of bread and beer, the commodities for which he can exchange them only by the intervention of another commodity; and rather to ſay that his butcher's meat is worth three pence or four pence a pound, than that it is worth three or four pounds of bread, or three or four quarts of ſmall beer. Hence it comes to paſs, that the exchangeable value of every commodity is more frequently eſtimated by the quantity of money, than by the quantity either of labor or of any other commodity which can be had in exchange for it.

Gold and ſilver, however, like every other commodity, vary in their value, are ſometimes cheaper and ſometimes dearer, ſometimes of eaſier and ſometimes of more difficult purchaſe. The quantity of labor which any particular quantity of them can purchaſe or command, or the quantity of other goods which it will exchange for, depends always upon the fertility or barrenneſs of the mines which happen to be known about the time when ſuch exchanges are made. The diſcovery of the abundant mines of America reduced, in the ſixteenth century, the value of gold and ſilver in Europe to about a third of what it had been before. As it coſt leſs labor

to bring thofe metals from the mine to the market, fo when they were brought thither they could purchafe or command lefs labor; and this revolution in their value, though perhaps the greateft, is by no means the only one of which hiftory gives fome account. But as a meafure of quantity, fuch as the natural foot, fathom, or handful, which is continually varying in its own quantity, can never be an accurate meafure of the quantity of other things; fo a commodity which is itfelf continually varying in its own value, can never be an accurate meafure of the value of other commodities. Equal quantities of labor, at all times and places, may be faid to be of equal value to the laborer. In his ordinary ftate of health, ftrength and fpirits; in the ordinary degree of his fkill and dexterity, he muft always lay down the fame portion of his eafe, his liberty, and his happinefs. The price which he pays muft always be the fame, whatever may be the quantity of goods which he receives in return for it. Of thefe, indeed, it may fometimes purchafe a greater and fometimes a fmaller quantity; but it is their value which varies, not that of the labor which purchafes them. At all times and places that is dear which it is difficult to come at, or which it cofts much labor to acquire; and that cheap which is to be had eafily, or with very little labor. Labor alone, therefore, never varying in its own value, is alone the ultimate and real ftandard by which the value of all commodities can at all times and places be eftimated and

compared.

compared. It is their real price; money is their nominal price only.

But though equal quantities of labor are always of equal value to the laborer, yet to the person who employs him they appear sometimes to be of greater and sometimes of smaller value. He purchases them sometimes with a greater and sometimes with a smaller quantity of goods, and to him the price of labor seems to vary like that of all other things. It appears to him dear in the one case, and cheap in the other. In reality, however, it is the goods which are cheap in the one case, and dear in the other.

In this popular sense, therefore, labor, like commodities, may be said to have a real and a nominal price. Its real price may be said to consist in the quantity of the necessaries and conveniencies of life which are given for it; its nominal price, in the quantity of money. The laborer is rich or poor, is well or ill rewarded, in proportion to the real, not to the nominal price of his labor.

The distinction between the real and the nominal price of commodities and labor, is not a matter of mere speculation, but may sometimes be of considerable use in practice. The same real price is always of the same value; but on account of the variations in the value of gold and silver, the same nominal price is sometimes of very different values. When a landed estate, therefore, is sold with a reservation of a perpetual rent, if it is intended that this rent should always be of the same value, it is of importance

to the family in whofe favor it is referved, that it fhould not confift in a particular fum of money. Its value would in this cafe be liable to variations of two different kinds; firft, to thofe which arife from the different quantities of gold and filver which are contained at different times in coin of the fame denomination; and, fecondly, to thofe which arife from the different values of equal quantities of gold and filver at different times.

Princes and fovereign ftates have frequently fancied that they had a temporary intereft to diminifh the quantity of pure metal contained in their coins; but they feldom have fancied that they had any to augment it. The quantity of metal contained in the coins, I believe of all nations, has, accordingly, been almoft continually diminifhing, and hardly ever augmenting. Such variations therefore tend almoft always to diminifh the value of a money rent.

The difcovery of the mines of America diminifhed the value of gold and filver in Europe. This diminution, it is commonly fuppofed, though I apprehend without any certain proof, is ftill going on gradually, and is likely to continue to do fo for a long time. Upon this fuppofition, therefore, fuch variations are more likely to diminifh, than to augment the value of a money rent, even though it fhould be ftipulated to be paid, not in fuch a quantity of coined money of fuch a denomination (in fo many pounds fterling, for example), but in fo many ounces either of pure filver, or of filver of a certain ftandard.

The rents which have been reserved in corn have preserved their value much better than those which have been reserved in money, even where the denomination of the coin has not been altered. By the 18th of Elizabeth it was enacted, That a third of the rent of all college leases should be reserved in corn, to be paid, either in kind, or according to the current prices at the nearest public market. The money arising from this corn rent, though originally but a third of the whole, is in the present times, according to Doctor Blackstone, commonly near double of what arises from the other two-thirds. The old money rents of colleges must, according to this account, have sunk almost to a fourth part of their ancient value; or are worth little more than a fourth part of the corn which they were formerly worth. But since the reign of Philip and Mary the denomination of the English coin has undergone little or no alteration, and the same number of pounds, shillings and pence have contained very nearly the same quantity of pure silver. This degradation, therefore, in the value of the money rents of colleges, has arisen altogether from the degradation in the value of silver.

When the degradation in the value of silver is combined with the diminution of the quantity of it contained in the coin of the same denomination, the loss is frequently still greater. In Scotland, where the denomination of the coin has undergone much greater alterations than it ever did in England, and in France, where it has

undergone ſtill greater than it ever did in Scotland, ſome ancient rents, originally of conſiderable value, have in this manner been reduced almoſt to nothing.

Equal quantities of labor will at diſtant times be purchaſed more nearly with equal quantities of corn, the ſubſiſtence of the laborer, than with equal quantities of gold and ſilver, or perhaps of any other commodity. Equal quantities of corn, therefore, will, at diſtant times, be more nearly of the ſame real value, or enable the poſſeſſor to purchaſe or command more nearly the ſame quantity of the labor of other people. They will do this, I ſay, more nearly than equal quantities of almoſt any other commodity; for even equal quantities of corn will not do it exactly. The ſubſiſtence of the laborer, or the real price of labor, as I ſhall endeavour to ſhow hereafter, is very different upon different occaſions; more liberal in a ſociety advancing to opulence, than in one that is ſtanding ſtill; and in one that is ſtanding ſtill, than in one that is going backwards. Every other commodity, however, will at any particular time purchaſe a greater or ſmaller quantity of labor in proportion to the quantity of ſubſiſtence which it can purchaſe at that time. A rent therefore reſerved in corn is liable only to the variations in the quantity of labor which a certain quantity of corn can purchaſe. But a rent reſerved in any other commodity is liable, not only to the variations in the quantity of labor which any particular quantity of corn can

purchafe, but to the variations in the quantity of corn which can be purchafed by any particular quantity of that commodity.

Though the real value of a corn rent, it is to be obferved however, varies much lefs from century to century than that of a money rent, it varies much more from year to year. The money price of labor, as I fhall endeavour to fhow hereafter, does not fluctuate from year to year with the money price of corn, but feems to be every where accommodated, not to the temporary or occafional, but to the average or ordinary price of that neceffary of life. The average or ordinary price of corn again is regulated, as I fhall likewife endeavour to fhow hereafter, by the value of filver, by the richnefs or barrennefs of the mines which fupply the market with that metal, or by the quantity of labor which muft be employed, and confequently of corn which muft be confumed, in order to bring any particular quantity of filver from the mine to the market. But the value of filver, though it fometimes varies greatly from century to century, feldom varies much from year to year, but frequently continues the fame, or very nearly the fame, for half a century or a century together. The ordinary or average money price of corn, therefore, may, during fo long a period, continue the fame or very nearly the fame too, and along with it the money price of labor, provided, at leaft, the fociety continues, in other refpects, in the fame or nearly in the fame con-

dition. In the mean time the temporary and occafional price of corn may frequently be double, one year, of what it had been the year before, or fluctuate, for example, from five-and-twenty to fifty fhillings the quarter. But when corn is at the latter price, not only the nominal, but the real value of a corn rent will be double of what it is when at the former, or will command double the quantity either of labor or of the greater part of other commodities; the money price of labor, and along with it that of moft other things, continuing the fame during all thefe fluctuations.

Labor, therefore, it appears evidently, is the only univerfal, as well as the only accurate meafure of value, or the only ftandard by which we can compare the values of different commodities at all times and at all places. We cannot eftimate, it is allowed, the real value of different commodities from century to century by the quantities of filver which were given for them. We cannot eftimate it from year to year by the quantities of corn. By the quantities of labor we can, with the greateft accuracy, eftimate it both from century to century and from year to year. From century to century, corn is a better meafure than filver, becaufe, from century to century, equal quantities of corn will command the fame quantity of labor more nearly than equal quantities of filver. From year to year, on the contrary, filver is a better meafure than corn, becaufe equal quantities of it will more nearly command the fame quantity of labor.

But though in eftablifhing perpetual rents, or even in letting very long leafes, it may be of ufe to diftinguifh between real and nominal price; it is of none in buying and felling, the more common and ordinary tranfactions of human life.

At the fame time and place the real and the nominal price of all commodities are exactly in proportion to one another. The more or lefs money you get for any commodity, in the London market, for example, the more or lefs labor it will at that time and place enable you to purchafe or command. At the fame time and place, therefore, money is the exact meafure of the real exchangeable value of all commodities. It is fo, however, at the fame time and place only.

Though at diftant places, there is no regular proportion between the real and the money price of commodities, yet the merchant who carries goods from the one to the other has nothing to confider but their money price, or the difference between the quantity of filver for which he buys them, and that for which he is likely to fell them. Half an ounce of filver at Canton in China may command a greater quantity both of labor and of the neceffaries and conveniencies of life, than an ounce at London. A commodity, therefore, which fells for half an ounce of filver at Canton may there be really dearer, of more real importance to the man who poffeffes it there, than a commodity which fells for an ounce at London is to the man who poffeffes it at London. If a London merchant, however, can buy

at Canton for half an ounce of ſilver, a commodity which he can afterwards ſell at London for an ounce, he gains a hundred per cent. by the bargain, juſt as much as if an ounce of ſilver was at London exactly of the ſame value as at Canton. It is of no importance to him that half an ounce of ſilver at Canton would have given him the command of more labor and of a greater quantity of the neceſſaries and conveniencies of life than an ounce can do at London. An ounce at London will always give him the command of double the quantity of all theſe which half an ounce could have done there, and this is preciſely what he wants.

As it is the nominal or money price of goods, therefore, which finally determines the prudence or imprudence of all purchaſes and ſales, and thereby regulates almoſt the whole buſineſs of common life in which price is concerned, we cannot wonder that it ſhould have been ſo much more attended to than the real price.

In ſuch a work as this, however, it may ſometimes be of uſe to compare the different real values of a particular commodity at different times and places, or the different degrees of power over the labor of other people which it may, upon different occaſions, have given to thoſe who poſſeſſed it. We muſt in this caſe compare, not ſo much the different quantities of ſilver for which it was commonly ſold, as the different quantities of labor which thoſe different quantities of ſilver could have purchaſed.

But the current prices of labor at diſtant times and places can ſcarce ever be known with any degree of exactneſs. Thoſe of corn, though they have in few places been regularly recorded, are in general better known and have been more frequently taken notice of by hiſtorians and other writers. We muſt generally, therefore, content ourſelves with them, not as being always exactly in the ſame proportion as the current prices of labor, but as being the neareſt approximation which can commonly be had to that proportion. I ſhall hereafter have occaſion to make ſeveral compariſons of this kind.

In the progreſs of induſtry, commercial nations have found it convenient to coin ſeveral different metals into money; gold for larger payments, ſilver for purchaſes of moderate value, and copper, or ſome other coarſe metal, for thoſe of ſtill ſmaller conſideration. They have always, however, conſidered one of thoſe metals as more peculiarly the meaſure of value than any of the other two; and this preference ſeems generally to have been given to the metal which they happened firſt to make uſe of as the inſtrument of commerce. Having once begun to uſe it as their ſtandard, which they muſt have done when they had no other money, they have generally continued to do ſo even when the neceſſity was not the ſame.

The Romans are ſaid to have had nothing but copper money till within five years before the

firſt Punic war *, when they firſt began to coin ſilver. Copper, therefore, appears to have continued always the meaſure of value in that republic. At Rome all accounts appear to have been kept, and the value of all eſtates to have been computed either in *Aſſes* or in *Seſtertii.* The *As* was always the denomination of a copper coin. The word *Seſtertius* ſignifies two *Aſſes* and a half. Though the *Seſtertius*, therefore, was originally a ſilver coin, its value was eſtimated in copper. At Rome, one who owed a great deal of money, was ſaid to have a great deal of other people's copper.

The northern nations who eſtabliſhed themſelves upon the ruins of the Roman empire, ſeem to have had ſilver money from the firſt beginning of their ſettlements, and not to have known either gold or copper coins for ſeveral ages thereafter. There were ſilver coins in England in the time of the Saxons; but there was little gold coined till the time of Edward III. nor any copper till that of James I. of Great Britain. In England, therefore, and for the ſame reaſon, I believe, in all other modern nations of Europe, all accounts are kept, and the value of all goods and of all eſtates is generally computed in ſilver: and when we mean to expreſs the amount of a perſon's fortune, we ſeldom mention the number of guineas, but the number of pounds ſterling which we ſuppoſe would be given for it.

* Pliny, lib. xxxiii. c. 3.

Originally, in all countries, I believe, a legal tender of payment could be made only in the coin of that metal, which was peculiarly confidered as the ftandard or meafure of value. In England, gold was not confidered as a legal tender for a long time after it was coined into money. The proportion between the values of gold and filver money was not fixed by any public law or proclamation, but was left to be fettled by the market. If a debtor offered payment in gold, the creditor might either reject fuch payment altogether, or accept of it at fuch a valuation of the gold as he and his debtor could agree upon. Copper is not at prefent a legal tender, except in the change of the fmaller filver coins. In this ftate of things the diftinction between the metal which was the ftandard, and that which was not the ftandard, was fomething more than a nominal diftinction.

In procefs of time, and as people became gradually more familiar with the ufe of the different metals in coin, and confequently better acquainted with the proportion between their refpective values, it has in moft countries, I believe, been found convenient to afcertain this proportion, and to declare by a public law that a guinea, for example, of fuch a weight and finenefs, fhould exchange for one-and-twenty fhillings, or be a legal tender for a debt of that amount. In this ftate of things, and during the continuance of any one regulated proportion of this kind, the diftinction between the metal which is the ftandard, and that which is not the

ſtandard, becomes little more than a nominal diſtinction.

In conſequence of any change, however, in this regulated proportion, this diſtinction becomes, or at leaſt ſeems to become, ſomething more than nominal again. If the regulated value of a guinea, for example, was either reduced to twenty, or raiſed to two-and-twenty ſhillings, all accounts being kept and almoſt all obligations for debt being expreſſed in ſilver money, the greater part of payments could in either caſe be made with the ſame quantity of ſilver money as before; but would require very different quantities of gold money; a greater in the one caſe, and a ſmaller in the other. Silver would appear to be more invariable in its value than gold. Silver would appear to meaſure the value of gold, and gold would not appear to meaſure the value of ſilver. The value of gold would ſeem to depend upon the quantity of ſilver which it would exchange for; and the value of ſilver would not ſeem to depend upon the quantity of gold which it would exchange for. This difference, however, would be altogether owing to the cuſtom of keeping accounts, and of expreſſing the amount of all great and ſmall ſums rather in ſilver than in gold money. One of Mr. Drummond's notes for five-and-twenty or fifty guineas would, after an alteration of this kind, be ſtill payable with five-and-twenty or fifty guineas in the ſame manner as before. It would, after ſuch an alteration, be payable with the ſame quantity of gold as before, but with

very different quantities of ſilver. In the payment of ſuch a note, gold would appear to be more invariable in its value than ſilver. Gold would appear to meaſure the value of ſilver, and ſilver would not appear to meaſure the value of gold. If the cuſtom of keeping accounts, and of expreſſing promiſſory notes and other obligations for money in this manner, ſhould ever become general, gold, and not ſilver, would be conſidered as the metal which was peculiarly the ſtandard or meaſure of value.

In reality, during the continuance of any one regulated proportion between the reſpective values of the different metals in coin, the value of the moſt precious metal regulates the value of the whole coin. Twelve copper pence contain half a pound, avoirdupois, of copper, of not the beſt quality, which, before it is coined, is ſeldom worth ſeven-pence in ſilver. But as by the regulation twelve ſuch pence are ordered to exchange for a ſhilling, they are in the market conſidered as worth a ſhilling, and a ſhilling can at any time be had for them. Even before the late reformation of the gold coin of Great Britain, the gold, that part of it at leaſt which circulated in London and its neighbourhood, was in general leſs degraded below its ſtandard weight than the greater part of the ſilver. One-and-twenty worn and defaced ſhillings, however, were conſidered as equivalent to a guinea, which perhaps, indeed, was worn and defaced too, but ſeldom ſo much ſo. The late regulations have brought the gold coin as near perhaps to its ſtandard weight as it is poſſible to bring the

current coin of any nation; and the order, to receive no gold at the public offices but by weight, is likely to preſerve it ſo, as long as that order is enforced. The ſilver coin ſtill continues in the ſame worn and degraded ſtate as before the reformation of the gold coin. In the market, however, one-and-twenty ſhillings of this degraded ſilver coin are ſtill conſidered as worth a guinea of this excellent gold coin.

The reformation of the gold coin has evidently raiſed the value of the ſilver coin which can be exchanged for it.

In the Engliſh mint a pound weight of gold is coined into forty-four guineas and a half, which, at one-and-twenty ſhillings the guinea, is equal to forty-ſix pounds fourteen ſhillings and ſixpence. An ounce of ſuch gold coin, therefore, is worth 3 *l.* 17 *s.* 10½ *d.* in ſilver. In England no duty or ſeignorage is paid upon the coinage, and he who carries a pound weight or an ounce weight of ſtandard gold bullion to the mint, gets back a pound weight or an ounce weight of gold in coin, without any deduction. Three pounds ſeventeen ſhillings and ten-pence halfpenny an ounce, therefore, is ſaid to be the mint price of gold in England, or the quantity of gold coin which the mint gives in return for ſtandard gold bullion.

Before the reformation of the gold coin, the price of ſtandard gold bullion in the market had for many years been upwards of 3 *l.* 18 *s.* ſometimes 3 *l.* 19 *s.* and very frequently 4 *l.* an ounce; that ſum, it is probable, in the worn and

degraded gold coin, ſeldom containing more than an ounce of ſtandard gold. Since the reformation of the gold coin, the market price of ſtandard gold bullion ſeldom exceeds 3 *l.* 17 *s.* 7 *d.* an ounce. Before the reformation of the gold coin, the market price was always more or leſs above the mint price. Since that reformation, the market price has been conſtantly below the mint price. But that market price is the ſame whether it is paid in gold or in ſilver coin. The late reformation of the gold coin, therefore, has raiſed not only the value of the gold coin, but likewiſe that of the ſilver coin in proportion to gold bullion, and probably too in proportion to all other commodities; though the price of the greater part of other commodities being influenced by ſo many other cauſes, the riſe in the value either of gold or ſilver coin in proportion to them, may not be ſo diſtinct and ſenſible.

In the Engliſh mint a pound weight of ſtandard ſilver bullion is coined into ſixty-two ſhillings, containing, in the ſame manner, a pound weight of ſtandard ſilver. Five ſhillings and two-pence an ounce, therefore, is ſaid to be the mint price of ſilver in England, or the quantity of ſilver coin which the mint gives in return for ſtandard ſilver bullion. Before the reformation of the gold coin, the market price of ſtandard ſilver bullion was, upon different occaſions, five ſhillings and four-pence, five ſhillings and five pence, five ſhillings and ſix-pence, five ſhillings and ſeven-pence, and very often five ſhillings and eight-pence an ounce.

Five ſhillings and ſeven-pence, however, ſeems to have been the moſt common price. Since the reformation of the gold coin, the market price of ſtandard ſilver bullion has fallen occaſionally to five ſhillings and three-pence, five ſhillings and four-pence, and five ſhillings and five-pence an ounce, which laſt price it has ſcarce ever exceeded. Though the market price of ſilver bullion has fallen conſiderably ſince the reformation of the gold coin, it has not fallen ſo low as the mint price.

In the proportion between the different metals in the Engliſh coin, as copper is rated very much above its real value, ſo ſilver is rated ſomewhat below it. In the market of Europe, in the French coin and in the Dutch coin, an ounce of fine gold exchanges for about fourteen ounces of fine ſilver. In the Engliſh coin, it exchanges for about fifteen ounces, that is, for more ſilver than it is worth according to the common eſtimation of Europe. But as the price of copper in bars is not, even in England, raiſed by the high price of copper in Engliſh coin, ſo the price of ſilver in bullion is not ſunk by the low rate of ſilver in Engliſh coin. Silver in bullion ſtill preſerves its proper proportion to gold; for the ſame reaſon that copper in bars preſerves its proper proportion to ſilver.

Upon the reformation of the ſilver coin in the reign of William III. the price of ſilver bullion ſtill continued to be ſomewhat above the mint price. Mr. Locke imputed this high price to the permiſſion of exporting ſilver bullion, and to the prohibition of exporting ſilver coin. This

permiſſion

permiſſion of exporting, he ſaid, rendered the demand for ſilver bullion greater than the demand for ſilver coin. But the number of people who want ſilver coin for the common uſes of buying and ſelling at home, is ſurely much greater than that of thoſe who want ſilver bullion either for the uſe of exportation or for any other uſe. There ſubſiſts at preſent a like permiſſion of exporting gold bullion, and a like prohibition of exporting gold coin; and yet the price of gold bullion has fallen below the mint price. But in the Engliſh coin ſilver was then, in the ſame manner as now, under-rated in proportion to gold; and the gold coin (which at the time too was not ſuppoſed to require any reformation) regulated then, as well as now, the real value of the whole coin. As the reformation of the ſilver coin did not then reduce the price of ſilver bullion to the mint price, it is not very probable that a like reformation will do ſo now.

Were the ſilver coin brought back as near to its ſtandard weight as the gold, a guinea, it is probable, would, according to the preſent proportion, exchange for more ſilver in coin than it would purchaſe in bullion. The ſilver coin containing its full ſtandard weight, there would in this caſe be a profit in melting it down, in order, firſt, to ſell the bullion for gold coin, and afterwards to exchange this gold coin for ſilver coin to be melted down in the ſame manner. Some alteration in the preſent proportion ſeems to be the only method of preventing this inconveniency.

The inconveniency perhaps would be leſs if ſilver was rated in the coin as much above its proper proportion to gold as it is at preſent rated below it; provided it was at the ſame time enacted that ſilver ſhould not be a legal tender for more than the change of a guinea; in the ſame manner as copper is not a legal tender for more than the change of a ſhilling. No creditor could in this caſe be cheated in conſequence of the high valuation of ſilver in coin; as no creditor can at preſent be cheated in conſequence of the high valuation of copper. The bankers only would ſuffer by this regulation. When a run comes upon them they ſometimes endeavour to gain time by paying in ſixpences, and they would be precluded by this regulation from this diſcreditable method of evading immediate payment. They would be obliged in conſequence to keep at all times in their coffers a greater quantity of caſh than at preſent; and though this might no doubt be a conſiderable inconveniency to them, it would at the ſame time be a conſiderable ſecurity to their creditors.

Three pounds ſeventeen ſhillings and tenpence halfpenny (the mint price of gold) certainly does not contain, even in our preſent excellent gold coin, more than an ounce of ſtandard gold, and it may be thought, therefore, ſhould not purchaſe more ſtandard bullion. But gold in coin is more convenient than gold in bullion, and though, in England, the coinage is free, yet the gold which is carried in bullion to the mint, can ſeldom be returned in coin to the

owner till after a delay of ſeveral weeks. In the preſent hurry of the mint, it could not be returned till after a delay of ſeveral months. This delay is equivalent to a ſmall duty, and renders gold in coin ſomewhat more valuable than an equal quantity of gold in bullion. If in the Engliſh coin ſilver was rated according to its proper proportion to gold, the price of ſilver bullion would probably fall below the mint price even without any reformation of the ſilver coin; the value even of the preſent worn and defaced ſilver coin being regulated by the value of the excellent gold coin for which it can be changed.

A ſmall ſeignorage or duty upon the coinage of both gold and ſilver would probably increaſe ſtill more the ſuperiority of thoſe metals in coin above an equal quantity of either of them in bullion. The coinage would in this caſe increaſe the value of the metal coined in proportion to the extent of this ſmall duty; for the ſame reaſon that the faſhion increaſes the value of plate in proportion to the price of that faſhion. The ſuperiority of coin above bullion would prevent the melting down of the coin, and would diſcourage its exportation. If upon any public exigency it ſhould become neceſſary to export the coin, the greater part of it would ſoon return again of its own accord. Abroad it could ſell only for its weight in bullion. At home it would buy more than that weight. There would be a profit, therefore, in bringing it home again. In France a ſeignorage of about eight per cent. is

impofed upon the coinage, and the French coin, when exported, is faid to return home again of its own accord.

The occafional fluctuations in the market price of gold and filver bullion arife from the fame caufes as the like fluctuations in that of all other commodities. The frequent lofs of thofe metals from various accidents by fea and by land, the continual wafte of them in gilding and plating, in lace and embroidery, in the wear and tear of coin, and in that of plate; require, in all countries which poffefs no mines of their own, a continual importation, in order to repair this lofs and this wafte. The merchant importers, like all other merchants, we may believe, endeavour, as well as they can, to fuit their occafional importations to what, they judge, is likely to be the immediate demand. With all their attention, however, they fometimes over-do the bufinefs, and fometimes under-do it. When they import more bullion than is wanted, rather than incur the rifk and trouble of exporting it again, they are fometimes willing to fell a part of it for fomething lefs than the ordinary or average price. When, on the other hand, they import lefs than is wanted, they get fomething more than this price. But when, under all thofe occafional fluctuations, the market price either of gold or filver bullion continues for feveral years together fteadily and conftantly, either more or lefs above, or more or lefs below the mint price: we may be affured that this fteady and conftant, either fuperiority or inferiority of price, is the

effect of something in the ftate of the coin, which at that time, renders a certain quantity of coin either of more value or of lefs value than the precife quantity of bullion which it ought to contain. The conftancy and fteadinefs of the effect, fuppofes a proportionable conftancy and fteadinefs in the caufe.

The money of any particular country is, at any particular time and place, more or lefs an accurate meafure of value according as the current coin is more or lefs exactly agreeable to its ftandard, or contains more or lefs exactly the precife quantity of pure gold or pure filver which it ought to contain. If in England, for example, forty-four guineas and a half contained exactly a pound weight of ftandard gold, or eleven ounces of fine gold and one ounce of alloy, the gold coin of England would be as accurate a meafure of the actual value of goods at any particular time and place as the nature of the thing would admit. But if, by rubbing and wearing, forty-four guineas and a half generally contain lefs than a pound weight of ftandard gold; the diminution, however, being greater in fome pieces than in others; the meafure of value comes to be liable to the fame fort of uncertainty to which all other weights and meafures are commonly expofed. As it rarely happens that thefe are exactly agreeable to their ftandard, the merchant adjufts the price of his goods, as well as he can, not to what thofe weights and meafures ought to be, but to what, upon an average, he finds by experience they actually are. In confe-

quence of a like diſorder in the coin the price of goods comes, in the ſame manner, to be adjuſted, not to the quantity of pure gold or ſilver which the coin ought to contain, but to that which, upon an average, it is found by experience, it actually does contain.

By the money-price of goods, it is to be obſerved, I underſtand always the quantity of pure gold or ſilver for which they are ſold, without any regard to the denomination of the coin. Six ſhillings and eight-pence, for example, in the time of Edward I., I conſider as the ſame money-price with a pound ſterling in the preſent times; becauſe it contained, as nearly as we can judge, the ſame quantity of pure ſilver.

CHAP. VI.

Of the component Parts of the Price of Commodities.

IN that early and rude ſtate of ſociety which precedes both the accumulation of ſtock and the appropriation of land, the proportion between the quantities of labor neceſſary for acquiring different objects ſeems to be the only circumſtance which can afford any rule for exchanging them for one another. If among a nation of hunters, for example, it uſually coſts twice the labor to kill a beaver which it does to kill a deer, one beaver ſhould naturally exchange for or be worth

two deer. It is natural that what is ufually the produce of two days or two hours labor, fhould be worth double of what is ufually the produce of one day's or one hour's labor.

If the one fpecies of labor fhould be more fevere than the other, fome allowance will naturally be made for this fuperior hardfhip; and the produce of one hour's labor in the one way may frequently exchange for that of two hours labor in the other.

Or if the one fpecies of labor requires an uncommon degree of dexterity and ingenuity, the efteem which men have for fuch talents, will naturally give a value to their produce, fuperior to what would be due to the time employed about it. Such talents can feldom be acquired but in confequence of long application, and the fuperior value of their produce may frequently be no more than a reafonable compenfation for the time and labor which muft be fpent in acquiring them. In the advanced ftate of fociety, allowances of this kind, for fuperior hardfhip and fuperior fkill, are commonly made in the wages of labor; and fomething of the fame kind muft probably have taken place in its earlieft and rudeft period.

In this ftate of things, the whole produce of labor belongs to the laborer; and the quantity of labor commonly employed in acquiring or producing any commodity, is the only circumftance which can regulate the quantity of labor which it ought commonly to purchafe, command, or exchange for.

As ſoon as ſtock has accumulated in the hands of particular perſons, ſome of them will naturally employ it in ſetting to work induſtrious people, whom they will ſupply with materials and ſubſiſtence, in order to make a profit by the ſale of their work, or by what their labor adds to the value of the materials. In exchanging the complete manufacture either for money, for labor, or for other goods, over and above what may be ſufficient to pay the price of the materials, and the wages of the workmen, ſomething muſt be given for the profits of the undertaker of the work who hazards his ſtock in this adventure. The value which the workmen add to the materials, therefore, reſolves itſelf in this caſe into two parts, of which the one pays their wages, the other the profits of their employer upon the whole ſtock of materials and wages which he advanced. He could have no intereſt to employ them, unleſs he expected from the ſale of their work ſomething more than what was ſufficient to replace his ſtock to him; and he could have no intereſt to employ a great ſtock rather than a ſmall one, unleſs his profits were to bear ſome proportion to the extent of his ſtock.

The profits of ſtock, it may perhaps be thought, are only a different name for the wages of a particular ſort of labor, the labor of inſpection and direction. They are, however, altogether different, are regulated by quite different principles, and bear no proportion to the quantity, the hardſhip, or the ingenuity of this

ſuppoſed labor of inſpection and direction. They are regulated altogether by the value of the ſtock employed, and are greater or ſmaller in proportion to the extent of this ſtock. Let us ſuppoſe, for example, that in ſome particular place, where the common annual profits of manufacturing ſtock are ten per cent., there are two different manufactures, in each of which twenty workmen are employed at the rate of fifteen pounds a year each, or at the expenſe of three hundred a year in each manufactory. Let us ſuppoſe too, that the coarſe materials annually wrought up in the one coſt only ſeven hundred pounds, while the finer materials in the other coſt ſeven thouſand. The capital annually employed in the one will in this caſe amount only to one thouſand pounds; whereas that employed in the other will amount to ſeven thouſand three hundred pounds. At the rate of ten per cent. therefore, the undertaker of the one will expect a yearly profit of about one hundred pounds only; while that of the other will expect about ſeven hundred and thirty pounds. But though their profits are ſo very different, their labor of inſpection and direction may be either altogether or very nearly the ſame. In many great works, almoſt the whole labor of this kind is committed to ſome principal clerk. His wages properly expreſs the value of this labor of inſpection and direction. Though in ſettling them ſome regard is had commonly, not only to his labor and ſkill, but to the truſt which is repoſed

in him, yet they never bear any regular proportion to the capital of which he overfees the management; and the owner of this capital, though he is thus difcharged of almoft all labor, ftill expects that his profits fhould bear a regular proportion to his capital. In the price of commodities, therefore, the profits of ftock conftitute a component part altogether different from the wages of labor, and regulated by quite different principles.

In this ftate of things, the whole produce of labor does not always belong to the laborer. He muft in moft cafes fhare it with the owner of the ftock which employs him. Neither is the quantity of labor commonly employed in acquiring or producing any commodity, the only circumftance which can regulate the quantity which it ought commonly to purchafe, command, or exchange for. An additional quantity, it is evident, muft be due for the profits of the ftock which advanced the wages and furnifhed the materials of that labor.

As foon as the land of any country has all become private property, the landlords, like all other men, love to reap where they never fowed, and demand a rent even for its natural produce. The wood of the foreft, the grafs of the field, and all the natural fruits of the earth, which, when land was in common, coft the laborer only the trouble of gathering them, come, even to him, to have an additional price fixed upon them. He muft then pay for the licence to gather

them; and muſt give up to the landlord a portion of what his labor either collects or produces. This portion, or, what comes to the ſame thing, the price of this portion, conſtitutes the rent of land, and in the price of the greater part of commodities makes a third component part.

The real value of all the different component parts of price, it muſt be obſerved, is meaſured by the quantity of labor which they can, each of them, purchaſe or command. Labor meaſures the value not only of that part of price which reſolves itſelf into labor, but of that which reſolves itſelf into rent, and of that which reſolves itſelf into profit.

In every ſociety the price of every commodity finally reſolves itſelf, into ſome one or other, or all of thoſe three parts; and in every improved ſociety, all the three enter more or leſs, as component parts, into the price of the far greater part of commodities.

In the price of corn, for example, one part pays the rent of the landlord, another pays the wages or maintenance of the laborers and laboring cattle employed in producing it, and the third pays the profit of the farmer. Theſe three parts ſeem either immediately or ultimately to make up the whole price of corn. A fourth part, it may perhaps be thought, is neceſſary for replacing the ſtock of the farmer, or for compenſating the wear and tear of his laboring cattle, and other inſtruments of huſbandry. But it muſt be conſidered that the price of any

inſtrument of huſbandry, ſuch as a laboring horſe, is itſelf made up of the ſame three parts; the rent of the land upon which he is reared, the labor of tending and rearing him, and the profits of the farmer who advances both the rent of this land, and the wages of this labor. Though the price of the corn, therefore, may pay the price as well as the maintenance of the horſe, the whole price ſtill reſolves itſelf either immediately or ultimately into the ſame three parts of rent, labor, and profit.

In the price of flour and meal, we muſt add to the price of the corn, the profits of the miller, and the wages of his ſervants; in the price of bread, the profits of the baker, and the wages of his ſervants; and in the price of both, the labor of tranſporting the corn from the houſe of the farmer to that of the miller, and from that of the miller to that of the baker, together with the profits of thoſe who advance the wages of that labor.

The price of flax reſolves itſelf into the ſame three parts as that of corn. In the price of linen we muſt add to this price the wages of the flax-dreſſer, of the ſpinner, of the weaver, of the bleacher, &c. together with the profits of their reſpective employers.

As any particular commodity comes to be more manufactured, that part of the price which reſolves itſelf into wages and profit, comes to be greater in proportion to that which reſolves itſelf into rent. In the progreſs of the manufacture, not only the number of profits increaſe,

but every ſubſequent profit is greater than the foregoing; becauſe the capital from which it is derived muſt always be greater. The capital which employs the weavers, for example, muſt be greater than that which employs the ſpinners; becauſe it not only replaces that capital with its profits, but pays, beſides, the wages of the weavers; and the profits muſt always bear ſome proportion to the capital.

In the moſt improved ſocieties, however, there are always a few commodities of which the price reſolves itſelf into two parts only, the wages of labor, and the profits of ſtock; and a ſtill ſmaller number, in which it conſiſts altogether in the wages of labor. In the price of ſea-fiſh, for example, one part pays the labor of the fiſhermen, and the other the profits of the capital employed in the fiſhery. Rent very ſeldom makes any part of it, though it does ſometimes, as I ſhall ſhow hereafter. It is otherwiſe, at leaſt through the greater part of Europe, in river fiſheries. A ſalmon fiſhery pays a rent, and rent, though it cannot well be called the rent of land, makes a part of the price of a ſalmon as well as wages and profit. In ſome parts of Scotland a few poor people make a trade of gathering, along the ſea-ſhore, thoſe little variegated ſtones commonly known by the name of Scotch Pebbles. The price which is paid to them by the ſtone cutter is altogether the wages of their labor; neither rent nor profit make any part of it.

But the whole price of any commodity muſt ſtill finally reſolve itſelf into ſome one or other, or all of thoſe three parts; as whatever part of it remains after paying the rent of the land, and the price of the whole labor employed in raiſing, manufacturing, and bringing it to market, muſt neceſſarily be profit to ſomebody.

As the price or exchangeable value of every particular commodity, taken ſeparately, reſolves itſelf into ſome one or other or all of thoſe three parts; ſo that of all the commodities which compoſe the whole annual produce of the labor of every country, taken complexly, muſt reſolve itſelf into the ſame three parts, and be parcelled out among different inhabitants of the country, either as the wages of their labor, the profits of their ſtock, or the rent of their land. The whole of what is annually either collected or produced by the labor of every ſociety, or what comes to the ſame thing, the whole price of it, is in this manner originally diſtributed among ſome of its different members. Wages, profit, and rent, are the three original ſources of all revenue as well as of all exchangeable value. All other revenue is ultimately derived from ſome one or other of theſe.

Whoever derives his revenue from a fund which is his own, muſt draw it either from his labor, from his ſtock, or from his land. The revenue derived from labor is called wages. That derived from ſtock, by the perſon who manages or employs it, is called profit. That derived from it by the perſon who does not

employ it himſelf, but lends it to another, is called the intereſt or the uſe of money. It is the compenſation which the borrower pays to the lender, for the profit which he has an opportunity of making by the uſe of the money. Part of that profit naturally belongs to the borrower, who runs the riſk and takes the trouble of employing it; and part to the lender, who affords him the opportunity of making this profit. The intereſt of money is always a derivative revenue, which, if it is not paid from the profit which is made by the uſe of the money, muſt be paid from ſome other ſource of revenue, unleſs perhaps the borrower is a ſpendthrift, who contracts a ſecond debt in order to pay the intereſt of the firſt. The revenue which proceeds altogether from land, is called rent, and belongs to the landlord. The revenue of the farmer is derived partly from his labor, and partly from his ſtock. To him, land is only the inſtrument which enables him to earn the wages of this labor, and to make the profits of this ſtock. All taxes, and all the revenue which is founded upon them, all ſalaries, penſions, and annuities of every kind, are ultimately derived from ſome one or other of thoſe three original ſources of revenue, and are paid either immediately or mediately from the wages of labor, the profits of ſtock, or the rent of land.

When thoſe three different ſorts of revenue belong to different perſons, they are readily diſtinguiſhed; but when they belong to the ſame

they are ſometimes confounded with one another at leaſt in common language.

A gentleman who farms a part of his own eſtate, after paying the expenſe of cultivation, ſhould gain both the rent of the landlord and the profit of the farmer. He is apt to denominate, however, his whole gain, profit, and thus confounds rent with profit, at leaſt in common language. The greater part of our North-American and Weſt-Indian planters are in this ſituation. They farm, the greater part of them, their own eſtates, and accordingly we ſeldom hear of the rent of a plantation, but frequently of its profit.

Common farmers ſeldom employ any overſeer to direct the general operations of the farm. They generally too work a good deal with their own hands, as ploughmen, harrowers, &c. What remains of the crop after paying the rent, therefore, ſhould not only replace to them their ſtock employed in cultivation, together with its ordinary profits, but pay them the wages which are due to them, both as laborers and overſeers. Whatever remains, however, after paying the rent and keeping up the ſtock, is called profit. But wages evidently make a part of it. The farmer, by ſaving theſe wages, muſt neceſſarily gain them. Wages, therefore, are in this caſe confounded with profit.

An independent manufacturer, who has ſtock enough both to purchaſe materials, and to maintain himſelf till he can carry his work to market,

ſhould gain both the wages of a journeyman who works under a maſter, and the profit which that maſter makes by the ſale of the journeyman's work. His whole gains, however, are commonly called profit, and wages are, in this caſe too, confounded with profit.

A gardener who cultivates his own garden with his own hands, unites in his own perſon the three different characters, of landlord, farmer, and laborer. His produce, therefore, ſhould pay him the rent of the firſt, the profit of the ſecond, and the wages of the third. The whole, however, is commonly conſidered as the earnings of his labor. Both rent and profit are, in this caſe, confounded with wages.

As in a civilized country there are but few commodities of which the exchangeable value ariſes from labor only, rent and profit contributing largely to that of the far greater part of them, ſo the annual produce of its labor will always be ſufficient to purchaſe or command a much greater quantity of labor than what was employed in raiſing, preparing, and bringing that produce to market. If the ſociety were annually to employ all the labor which it can annually purchaſe, as the quantity of labor would increaſe greatly every year, ſo the produce of every ſucceeding year would be of vaſtly greater value than that of the foregoing. But there is no country in which the whole annual produce is employed in maintaining the induſtrious. The idle every where conſume a great part of it; and according to the different proportions in which

it is annually divided between thofe two different orders of people, its ordinary or average value muft either annually increafe, or diminifh, or continue the fame from one year to another.

CHAP. VII.

Of the natural and Market Price of Commodities.

THERE is in every fociety or neighbourhood an ordinary or average rate both of wages and profit in every different employment of labor and ftock. This rate is naturally regulated, as I fhall fhow hereafter, partly by the general circumftances of the fociety, their riches or poverty, their advancing, ftationary, or declining condition; and partly by the particular nature of each employment.

There is likewife in every fociety or neighbourhood an ordinary or average rate of rent, which is regulated too, as I fhall fhow hereafter, partly by the general circumftances of the fociety or neighbourhood in which the land is fituated, and partly by the natural or improved fertility of the land.

Thefe ordinary or average rates may be called the natural rates of wages, profit, and rent, at the time and place in which they commonly prevail.

When the price of any commodity is neither more nor lefs than what is fufficient to pay the

rent of the land, the wages of the labor, and the profits of the ſtock employed in raiſing, preparing, and bringing it to market, according to their natural rates, the commodity is then ſold for what may be called its natural price.

The commodity is then ſold preciſely for what it is worth, or for what it really coſts the perſon who brings it to market; for though in common language what is called the prime coſt of any commodity does not comprehend the profit of the perſon who is to ſell it again, yet if he ſells it at a price which does not allow him the ordinary rate of profit in his neighbourhood, he is evidently a loſer by the trade; ſince by employing his ſtock in ſome other way he might have made that profit. His profit, beſides is his revenue, the proper fund of his ſubſiſtence. As, while he is preparing and bringing the goods to market, he advances to his workmen their wages, or their ſubſiſtence; ſo he advances to himſelf, in the ſame manner, his own ſubſiſtence, which is generally ſuitable to the profit which he may reaſonably expect from the ſale of his goods. Unleſs they yield him this profit, therefore, they do not repay him what they may very properly be ſaid to have really coſt him.

Though the price, therefore, which leaves him this profit, is not always the loweſt at which a dealer may ſometimes ſell his goods, it is the loweſt at which he is likely to ſell them for any conſiderable time; at leaſt where there is perfect liberty, or where he may change his trade as often as he pleaſes.

The actual price at which any commodity is commonly ſold is called its market price. It may either be above, or below, or exactly the ſame with its natural price.

The market price of every particular commodity is regulated by the proportion between the quantity which is actually brought to market, and the demand of thoſe who are willing to pay the natural price of the commodity, or the whole value of the rent, labor, and profit, which muſt be paid in order to bring it thither. Such people may be called the effectual demanders, and their demand the effectual demand; ſince it may be ſufficient to effectuate the bringing of the commodity to market. It is different from the abſolute demand. A very poor man may be ſaid in ſome ſenſe to have a demand for a coach and ſix; he might like to have it; but his demand is not an effectual demand, as the commodity can never be brought to market in order to ſatisfy it.

When the quantity of any commodity which is brought to market falls ſhort of the effectual demand, all thoſe who are willing to pay the whole value of the rent, wages, and profit, which muſt be paid in order to bring it thither, cannot be ſupplied with the quantity which they want. Rather than want it altogether, ſome of them will be willing to give more. A competition will immediately begin among them, and the market price will riſe more or leſs above the natural price, according as either the greatneſs of the deficiency, or the wealth and wanton luxury of the competitors,

happen to animate more or lefs the eagernefs of the competition. Among competitors of equal wealth and luxury the fame deficiency will generally occafion a more or lefs eager competition, according as the acquifition of the commodity happens to be of more or lefs importance to them. Hence the exorbitant price of the neceffaries of life during the blockade of a town or in a famine.

When the quantity brought to market exceeds the effectual demand, it cannot be all fold to thofe who are willing to pay the whole value of the rent, wages and profit, which muft be paid in order to bring it thither. Some part muft be fold to thofe who are willing to pay lefs, and the low price which they give for it muft reduce the price of the whole. The market price will fink more or lefs below the natural price, according as the greatnefs of the excefs increafes more or lefs the competition of the fellers, or according as it happens to be more or lefs important to them to get immediately rid of the commodity. The fame excefs in the importation of perifhable, will occafion a much greater competition than in that of durable commodities; in the importation of oranges, for example, than in that of old iron.

When the quantity brought to market is juft fufficient to fupply the effectual demand and no more, the market price naturally comes to be either exactly, or as nearly as can be judged of, the fame with the natural price. The whole quantity upon hand can be difpofed of for this price, and cannot be difpofed of for more. The

competition of the different dealers obliges them all to accept of this price, but does not oblige them to accept of lefs.

The quantity of every commodity brought to market naturally fuits itfelf to the effectual demand. It is the intereft of all thofe who employ their land, labor, or ftock, in bringing any commodity to market, that the quantity never fhould exceed the effectual demand ; and it is the intereft of all other people that it never fhould fall fhort of that demand.

If at any time it exceeds the effectual demand, fome of the component parts of its price muft be paid below their natural rate. If it is rent, the intereft of the landlords will immediately prompt them to withdraw a part of their land; and if it is wages or profit, the intereft of the laborers in the one cafe, and of their employers in the other, will prompt them to withdraw a part of their labor or ftock from this employment. The quantity brought to market will foon be no more than fufficient to fupply the effectual demand. All the different parts of its price will rife to their natural rate, and the whole price to its natural price.

If, on the contrary, the quantity brought to market fhould at any time fall fhort of the effectual demand, fome of the component parts of its price muft rife above their natural rate. If it is rent, the intereft of all other landlords will naturally prompt them to prepare more land for the raifing of this commodity; if it is wages or profit, the intereft of all other laborers and

dealers will ſoon prompt them to employ more labor and ſtock in preparing and bringing it to market. The quantity brought thither will ſoon be ſufficient to ſupply the effectual demand. All the different parts of its price will ſoon ſink to their natural rate, and the whole price to its natural price.

The natural price, therefore, is, as it were, the central price, to which the prices of all commodities are continually gravitating. Different accidents may ſometimes keep them ſuſpended a good deal above it, and ſometimes force them down even ſomewhat below it. But whatever may be the obſtacles which hinder them from ſettling in this centre of repoſe and continuance, they are conſtantly tending towards it.

The whole quantity of induſtry annually employed in order to bring any commodity to market, naturally ſuits itſelf in this manner to the effectual demand. It naturally aims at bringing always that preciſe quantity thither which may be ſufficient to ſupply, and no more than ſupply, that demand.

But in ſome employments the ſame quantity of induſtry will in different years produce very different quantities of commodities; while in others it will produce always the ſame, or very nearly the ſame. The ſame number of laborers in huſbandry will, in different years, produce very different quantities of corn, wine, oil, hops, &c. But the ſame number of ſpinners and weavers will every year produce the ſame or very nearly the ſame quantity of linen and woollen cloth. It is only the average produce of the one

ſpecies of induſtry which can be ſuited in any reſpect to the effectual demand; and as its actual produce is frequently much greater and frequently much leſs than its average produce, the quantity of the commodities brought to market will ſometimes exceed a good deal, and ſometimes fall ſhort a good deal, of the effectual demand. Even though that demand therefore ſhould continue always the ſame, their market price will be liable to great fluctuations, will ſometimes fall a good deal below, and ſometimes riſe a good deal above their natural price. In the other ſpecies of induſtry, the produce of equal quantities of labor being always the ſame, or very nearly the ſame, it can be more exactly ſuited to the effectual demand. While that demand continues the ſame, therefore, the market price of the commodities is likely to do ſo too, and to be either altogether, or as nearly as can be judged of, the ſame with the natural price. That the price of linen and woollen cloth is liable neither to ſuch frequent nor to ſuch great variations as the price of corn, every man's experience will inform him. The price of the one ſpecies of commodities varies only with the variations in the demand: That of the other varies, not only with the variations in the demand, but with the much greater and more frequent variations in the quantity of what is brought to market in order to ſupply that demand.

The occaſional and temporary fluctuations in the market price of any commodity fall chiefly upon thoſe parts of its price which reſolve themſelves into wages and profit. That part which reſolves

itſelf into rent is leſs affected by them. A rent certain in money is not in the leaſt affected by them either in its rate or in its value. A rent which conſiſts either in a certain proportion or in a certain quantity of the rude produce, is no doubt affected in its yearly value by all the occaſional and temporary fluctuations in the market price of that rude produce: but it is ſeldom affected by them in its yearly rate. In ſettling the terms of the leaſe, the landlord and farmer endeavour, according to their beſt judgment, to adjuſt that rate, not to the temporary and occaſional, but to the average and ordinary price of the produce.

Such fluctuations affect both the value and the rate either of wages or of profit, according as the market happens to be either over-ſtocked or under-ſtocked with commodities or with labor; with work done, or with work to be done. A public mourning raiſes the price of black cloth, with which the market is almoſt always under-ſtocked upon ſuch occaſions, and augments the profits of the merchants who poſſeſs any conſiderable quantity of it. It has no effect upon the wages of the weavers. The market is under-ſtocked with commodities, not with labor; with work done, not with work to be done. It raiſes the wages of journeymen taylors. The market is here under-ſtocked with labor. There is an effectual demand for more labor, for more work to be done than can be had. It ſinks the price of colored ſilks and cloths, and thereby reduces the profits of the merchants who

have any confiderable quantity of them upon hand. It finks too the wages of the workmen employed in preparing fuch commodities, for which all demand is ftopped for fix months, perhaps for a twelvemonth. The market is here over-ftocked both with commodities and with labor.

But though the market price of every particular commodity is in this manner continually gravitating, if one may fay fo, towards the natural price, yet fometimes particular accidents, fometimes natural caufes, and fometimes particular regulations of police, may, in many commodities, keep up the market price, for a long time together, a good deal above the natural price.

When by an increafe in the effectual demand, the market price of fome particular commodity happens to rife a good deal above the natural price, thofe who employ their ftocks in fupplying that market are generally careful to conceal this change. If it was commonly known, their great profit would tempt fo many new rivals to employ their ftocks in the fame way, that, the effectual demand being fully fupplied, the market price would foon be reduced to the natural price, and perhaps for fome time even below it. If the market is at a great diftance from the refidence of thofe who fupply it, they may fometimes be able to keep the fecret for feveral years together, and may fo long enjoy their extraordinary profits without any new rivals. Secrets of this kind, however, it muft be acknowledged, can feldom be long kept, and the extraordinary profit can laft very little longer than they are kept.

Secrets in manufactures are capable of being longer kept than fecrets in trade. A dyer who has found the means of producing a particular color with materials which coft only half the price of thofe commonly made ufe of, may, with good management, enjoy the advantage of his difcovery as long as he lives, and even leave it as a legacy to his pofterity. His extraordinary gains arife from the high price which is paid for his private labor. They properly confift in the high wages of that labor. But as they are repeated upon every part of his ftock, and as their whole amount bears, upon that account, a regular proportion to it, they are commonly confidered as extraordinary profits of ftock.

Such enhancements of the market price are evidently the effects of particular accidents, of which, however, the operation may fometimes laft for many years together.

Some natural productions require fuch a fingularity of foil and fituation, that all the land in a great country, which is fit for producing them, may not be fufficient to fupply the effectual demand. The whole quantity brought to market, therefore, may be difpofed of to thofe who are willing to give more than what is fufficient to pay the rent of the land which produced them, together with the wages of the labor, and the profits of the ftock which were employed in preparing and bringing them to market, according to their natural rates. Such commodities may continue for whole centuries together to be

ſold at this high price; and that part of it which reſolves itſelf into the rent of land is in this caſe the part which is generally paid above its natural rate. The rent of the land which affords ſuch ſingular and eſteemed productions, like the rent of ſome vineyards in France of a peculiarly happy ſoil and ſituation, bears no regular proportion to the rent of other equally fertile and equally well cultivated land in its neighbourhood. The wages of the labor and the profits of the ſtock employed in bringing ſuch commodities to market, on the contrary, are ſeldom out of their natural proportion to thoſe of the other employments of labor and ſtock in their neighbourhood.

Such enhancements of the market price are evidently the effect of natural cauſes which may hinder the effectual demand from ever being fully ſupplied, and which may continue, therefore, to operate for ever.

A monopoly granted either to an individual or to a trading company has the ſame effect as a ſecret in trade or manufactures. The monopoliſts, by keeping the market conſtantly underſtocked, by never fully ſupplying the effectual demand, ſell their commodities much above the natural price, and raiſe their emoluments, whether they conſiſt in wages or profit, greatly above their natural rate.

The price of monopoly is upon every occaſion the higheſt which can be got. The natural price, or the price of free competition, on the contrary,

is the loweſt which can be taken, not upon every occaſion, indeed, but for any conſiderable time together. The one is upon every occaſion the higheſt which can be ſqueezed out of the buyers, or which, it is ſuppoſed, they will conſent to give : The other is the loweſt which the ſellers can commonly afford to take, and at the ſame time continue their buſineſs.

The excluſive privileges of corporations, ſtatutes of apprenticeſhip, and all thoſe laws which reſtrain, in particular employments, the competition to a ſmaller number than might otherwiſe go into them, have the ſame tendency, though in a leſs degree. They are a ſort of enlarged monopolies, and may frequently, for ages together, and in whole claſſes of employments, keep up the market price of particular commodities above the natural price, and maintain both the wages of the labor and the profits of the ſtock employed about them ſomewhat above their natural rate.

Such enhancements of the market price may laſt as long as the regulations of police which give occaſion to them.

The market price of any particular commodity, though it may continue long above, can ſeldom continue long below its natural price. Whatever part of it was paid below the natural rate, the perſons whoſe intereſt it affected would immediately feel the loſs, and would immediately withdraw either ſo much land, or ſo much labor, or ſo much ſtock, from being employed about

it, that the quantity brought to market would ſoon be no more than ſufficient to ſupply the effectual demand. Its market price, therefore, would ſoon riſe to the natural price. This at leaſt would be the caſe where there was perfect liberty.

The ſame ſtatutes of apprenticeſhip and other corporation laws indeed, which, when a manufacture is in proſperity, enable the workman to raiſe his wages a good deal above their natural rate, ſometimes oblige him, when it decays, to let them down a good deal below it. As in the one caſe they exclude many people from his employment, ſo in the other they exclude him from many employments. The effect of ſuch regulations, however, is not near ſo durable in ſinking the workman's wages below, as in raiſing them above their natural rate. Their operation in the one way may endure for many centuries, but in the other it can laſt no longer than the lives of ſome of the workmen who were bred to the buſineſs in the time of its proſperity. When they are gone, the number of thoſe who are afterwards educated to the trade will naturally ſuit itſelf to the effectual demand. The police muſt be as violent as that of Indoſtan or ancient Egypt (where every man was bound by a principle of religion to follow the occupation of his father, and was ſuppoſed to commit the moſt horrid ſacrilege if he changed it for another), which can in any particular employment, and for ſeveral generations together, ſink either the wages of

labor or the profits of ſtock below their natural rate.

This is all that I think neceſſary to be obſerved at preſent concerning the deviations, whether occaſional or permanent, of the market price of commodities from the natural price.

The natural price itſelf varies with the natural rate of each of its component parts, of wages, profit, and rent; and in every ſociety this rate varies according to their circumſtances, according to their riches or poverty, their advancing, ſtationary, or declining condition. I ſhall, in the four following chapters, endeavour to explain, as fully and diſtinctly as I can, the cauſes of thoſe different variations.

Firſt, I ſhall endeavour to explain what are the circumſtances which naturally determine the rate of wages, and in what manner thoſe circumſtances are affected by the riches or poverty, by the advancing, ſtationary, or declining ſtate of the ſociety.

Secondly, I ſhall endeavour to ſhow what are the circumſtances which naturally determine the rate of profit, and in what manner too thoſe circumſtances are affected by the like variations in the ſtate of the ſociety.

Though pecuniary wages and profit are very different in the different employments of labor and ſtock; yet a certain proportion ſeems commonly to take place between both the pecuniary wages in all the different employments of labor, and the pecuniary profits in all the different employments of ſtock. This proportion, it will

appear hereafter, depends partly upon the nature of the different employments, and partly upon the different laws and policy of the ſociety in which they are carried on. But though in many reſpects dependent upon the laws and policy, this proportion ſeems to be little affected by the riches or poverty of that ſociety; by its advancing, ſtationary, or declining condition; but to remain the ſame or very nearly the ſame in all thoſe different ſtates. I ſhall, in the third place, endeavour to explain all the different circumſtances which regulate this proportion.

In the fourth and laſt place, I ſhall endeavour to ſhow what are the circumſtances which regulate the rent of land, and which either raiſe or lower the real price of all the different ſubſtances which it produces.

CHAP VIII.

Of the Wages of Labor.

THE produce of labor conſtitutes the natural recompence or wages of labor.

In that original ſtate of things, which precedes both the appropriation of land and the accumulation of ſtock, the whole produce of labor belongs to the laborer. He has neither landlord nor maſter to ſhare with him.

Had this ſtate continued, the wages of labor would have augmented with all thoſe improvements

in

in its productive powers, to which the division of labor gives occasion. All things would gradually have become cheaper. They would have been produced by a smaller quantity of labor; and as the commodities produced by equal quantities of labor would naturally in this state of things be exchanged for one another, they would have been purchased likewise with the produce of a smaller quantity.

But though all things would have become cheaper in reality, in appearance many things might have become dearer than before, or have been exchanged for a greater quantity of other goods. Let us suppose, for example, that in the greater part of employments the productive powers of labor had been improved to tenfold, or that a day's labor could produce ten times the quantity of work which it had done originally; but that in a particular employment they had been improved only to double, or that a day's labor could produce only twice the quantity of work which it had done before. In exchanging the produce of a day's labor in the greater part of employments, for that of a day's labor in this particular one, ten times the original quantity of work in them would purchase only twice the original quantity in it. Any particular quantity in it, therefore, a pound weight, for example, would appear to be five times dearer than before. In reality, however, it would be twice as cheap. Though it required five times the quantity of other goods to

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purchafe it, it would require only half the quantity of labor either to purchafe or to produce it. The acquifition, therefore, would be twice as eafy as before.

But this original ftate of things, in which the laborer enjoyed the whole produce of his own labor, could not laft beyond the firft introduction of the appropriation of land and the accumulation of ftock. It was at an end, therefore, long before the moft confiderable improvements were made in the productive powers of labor, and it would be to no purpofe to trace further what might have been its effects upon the recompence or wages of labor.

As foon as land becomes private property, the landlord demands a fhare of almoft all the produce which the laborer can either raife, or collect from it. His rent makes the firft deduction from the produce of the labor which is employed upon land.

It feldom happens that the perfon who tills the ground has wherewithal to maintain himfelf till he reaps the harveft. His maintenance is generally advanced to him from the ftock of a mafter, the farmer who employs him, and who would have no intereft to employ him, unlefs he was to fhare in the produce of his labor, or unlefs his ftock was to be replaced to him with a profit. This profit makes a fecond deduction from the produce of the labor which is employed upon land.

The produce of almoft all other labor is liable to the like deduction of profit. In all arts

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and manufactures the greater part of the workmen ſtand in need of a maſter to advance them the materials of their work, and their wages and maintenance till it be compleated. He ſhares in the produce of their labor, or in the value which it adds to the materials upon which it is beſtowed; and in this ſhare conſiſts his profit.

It ſometimes happens, indeed, that a ſingle independent workman has ſtock ſufficient both to purchaſe the materials of his work, and to maintain himſelf till it be compleated. He is both maſter and workman, and enjoys the whole produce of his own labor, or the whole value which it adds to the materials upon which it is beſtowed. It includes what are uſually two diſtinct revenues, belonging to two diſtinct perſons, the profits of ſtock, and the wages of labor.

Such caſes, however, are not very frequent, and in every part of Europe, twenty workmen ſerve under a maſter for one that is independent; and the wages of labor are every where underſtood to be, what they uſually are, when the laborer is one perſon, and the owner of the ſtock which employs him another.

What are the common wages of labor, depends every where upon the contract uſually made between thoſe two parties, whoſe intereſts are by no means the ſame. The workmen deſire to get as much, the maſters to give as little as poſſible. The former are diſpoſed to combine in order to raiſe, the latter in order to lower the wages of labor.

It is not, however, difficult to foresee which of the two parties must, upon all ordinary occasions, have the advantage in the dispute, and force the other into a compliance with their terms. The masters, being fewer in number, can combine much more easily; and the law, besides, authorizes, or at least does not prohibit their combinations, while it prohibits those of the workmen. We have no acts of parliament against combining to lower the price of work; but many against combining to raise it. In all such disputes the masters can hold out much longer. A landlord, a farmer, a master manufacturer, or merchant; though they did not employ a single workman, could generally live a year or two upon the stocks which they have already acquired. Many workmen could not subsist a week, few could subsist a month, and scarce any a year without employment. In the long-run the workman may be as necessary to his master as his master is to him; but the necessity is not so immediate.

We rarely hear, it has been said, of the combinations of masters; though frequently of those of workmen. But whoever imagines, upon this account, that masters rarely combine, is as ignorant of the world as of the subject. Masters are always and every where in a sort of tacit, but constant and uniform combination, not to raise the wages of labor above their actual rate. To violate this combination is every where a most unpopular action, and a sort of reproach to a master among his neighbours and equals. We

feldom, indeed, hear of this combination, becaufe it is the ufual, and one may fay, the natural ftate of things which nobody ever hears of. Mafters too fometimes enter into particular combinations to fink the wages of labor even below this rate. Thefe are always conducted with the utmoft filence and fecrecy, till the moment of execution, and when the workmen yield, as they fometimes do, without refiftance, though feverely felt by them, they are never heard of by other people. Such combinations, however, are frequently refifted by a contrary defenfive combination of the workmen; who fometimes too, without any provocation of this kind, combine of their own accord to raife the price of their labor. Their ufual pretences are, fometimes the high price of provifions; fometimes the great profit which their mafters make by their work. But whether their combinations be offenfive or defenfive, they are always abundantly heard of. In order to bring the point to a fpeedy decifion, they have always recourfe to the loudeft clamor, and fometimes to the moft fhocking violence and outrage. They are defperate, and act with the folly and extravagance of defperate men, who muft either ftarve, or frighten their mafters into an immediate compliance with their demands. The mafters upon thefe occafions are juft as clamorous upon the other fide, and never ceafe to call aloud for the affiftance of the civil magiftrate, and the rigorous execution of thofe laws which have been enacted with fo much feverity againft the combinations of fervants, laborers,

and journeymen. The workmen, accordingly, very ſeldom derive any advantage from the violence of thoſe tumultuous combinations, which, partly from the interpoſition of the civil magiſtrate, partly from the ſuperior ſteadineſs of the maſters, partly from the neceſſity which the greater part of the workmen are under of ſubmitting for the ſake of preſent ſubſiſtence, generally end in nothing, but the puniſhment or ruin of the ringleaders.

But though in diſputes with their workmen, maſters muſt generally have the advantage, there is however a certain rate below which it ſeems impoſſible to reduce, for any conſiderable time, the ordinary wages even of the loweſt ſpecies of labor.

A man muſt always live by his work, and his wages muſt at leaſt be ſufficient to maintain him. They muſt even upon moſt occaſions be ſomewhat more; otherwiſe it would be impoſſible for him to bring up a family, and the race of ſuch workmen could not laſt beyond the firſt generation. M. Cantillon ſeems, upon this account, to ſuppoſe that the loweſt ſpecies of common laborers muſt every where earn at leaſt double their own maintenance, in order that one with another they may be enabled to bring up two children; the labor of the wife, on account of her neceſſary attendance on the children, being ſuppoſed no more than ſufficient to provide for herſelf. But one-half the children born, it is computed, die before the age of manhood. The pooreſt laborers, therefore, according to

this account, muſt, one with another, attempt to rear at leaſt four children, in order that two may have an equal chance of living to that age. But the neceſſary maintenance of four children, it is ſuppoſed, may be nearly equal to that of one man. The labor of an able-bodied ſlave, the ſame author adds, is computed to be worth double his maintenance; and that of the meaneſt laborer, he thinks, cannot be worth leſs than that of an able-bodied ſlave. Thus far at leaſt ſeems certain, that, in order to bring up a family, the labor of the huſband and wife together muſt, even in the loweſt ſpecies of common labor, be able to earn ſomething more than what is preciſely neceſſary for their own maintenance; but in what proportion, whether in that above-mentioned, or in any other, I ſhall not take upon me to determine.

There are certain circumſtances, however, which ſometimes give the laborers an advantage, and enable them to raiſe their wages conſiderably above this rate; evidently the loweſt which is conſiſtent with common humanity.

When in any country the demand for thoſe who live by wages; laborers, journeymen, ſervants of every kind, is continually increaſing; when every year furniſhes employment for a greater number than had been employed the year before, the workmen have no occaſion to combine in order to raiſe their wages. The ſcarcity of hands occaſions a competition among maſters, who bid againſt one another, in order to get workmen, and thus voluntarily break

through the natural combination of maſters not to raiſe wages.

The demand for thoſe who live by wages, it is evident, cannot increaſe but in proportion to the increaſe of the funds which are deſtined for the payment of wages. Theſe funds are of two kinds; firſt, the revenue which is over and above what is neceſſary for the maintenance; and, ſecondly, the ſtock which is over and above what is neceſſary for the employment of their maſters.

When the landlord, annuitant, or monied man, has a greater revenue than what he judges ſufficient to maintain his own family, he employs either the whole or a part of the ſurplus in maintaining one or more menial ſervants. Increaſe this ſurplus, and he will naturally increaſe the number of thoſe ſervants.

When an independent workman, ſuch as a weaver or ſhoe-maker, has got more ſtock than what is ſufficient to purchaſe the materials of his own work, and to maintain himſelf till he can diſpoſe of it, he naturally employs one or more journeymen with the ſurplus, in order to make a profit by their work. Increaſe this ſurplus, and he will naturally increaſe the number of his journeymen.

The demand for thoſe who live by wages, therefore, neceſſarily increaſes with the increaſe of the revenue and ſtock of every country, and cannot poſſibly increaſe without it. The increaſe of revenue and ſtock is the increaſe of national wealth. The demand for thoſe who live

by wages, therefore, naturally increafes with the increafe of national wealth, and cannot poffibly increafe without it.

It is not the actual greatnefs of national wealth, but its continual increafe, which occafions a rife in the wages of labor. It is not, accordingly, in the richeft countries, but in the moft thriving, or in thofe which are growing rich the fafteft, that the wages of labor are higheft. England is certainly, in the prefent times, a much richer country than any part of North-America. The wages of labor, however, are much higher in North-America than in any part of England. In the province of New York, common laborers earn * three fhillings and fixpence currency, equal to two fhillings fterling, a day; fhip carpenters, ten fhillings and fixpence currency, with a pint of rum worth fixpence fterling, equal in all to fix fhillings and fixpence fterling; houfe carpenters and bricklayers, eight fhillings currency, equal to four fhillings and fixpence fterling; journeymen taylors, five fhillings currency, equal to about two fhillings and ten pence fterling. Thefe prices are all above the London price; and wages are faid to be as high in the other colonies as in New York. The price of provifions is every where in North-America much lower than in England. A dearth has never been known there. In the worft feafons, they have always had a fufficiency

* This was written in 1773, before the commencement of the late difturbances.

for themſelves, though leſs for exportation. If the money price of labor, therefore, be higher than it is any where in the mother country, its real price, the real command of the neceſſaries and conveniencies of life which it conveys to the laborer, muſt be higher in a ſtill greater proportion.

But though North-America is not yet ſo rich as England, it is much more thriving, and advancing with much greater rapidity to the further acquiſition of riches. The moſt deciſive mark of the proſperity of any country is the increaſe of the number of its inhabitants. In Great Britain, and moſt other European countries, they are not ſuppoſed to double in leſs than five hundred years. In the Britiſh colonies in North-America, it has been found, that they double in twenty or five-and-twenty years. Nor in the preſent times is this increaſe principally owing to the continual importation of new inhabitants, but to the great multiplication of the ſpecies. Thoſe who live to old age, it is ſaid, frequently ſee there from fifty to a hundred, and ſometimes many more, deſcendants from their own body. Labor is there ſo well rewarded that a numerous family of children, inſtead of being a burthen is a ſource of opulence and proſperity to the parents. The labor of each child, before it can leave their houſe, is computed to be worth a hundred pounds clear gain to them. A young widow with four or five young children, who, among the middling or inferior ranks of people in Europe, would have ſo little chance for a

ſecond huſband, is there frequently courted as a ſort of fortune. The value of children is the greateſt of all encouragements to marriage. We cannot, therefore, wonder that the people in North-America ſhould generally marry very young. Notwithſtanding the great increaſe occaſioned by ſuch early marriages, there is a continual complaint of the ſcarcity of hands in North-America. The demand for laborers, the funds deſtined for maintaining them, increaſe, it ſeems, ſtill faſter than they can find laborers to employ.

Though the wealth of a country ſhould be very great, yet if it has been long ſtationary, we muſt not expect to find the wages of labor very high in it. The funds deſtined for the payment of wages, the revenue and ſtock of its inhabitants, may be of the greateſt extent; but if they have continued for ſeveral centuries of the ſame, or very nearly of the ſame extent, the number of laborers employed every year could eaſily ſupply, and even more than ſupply, the number wanted the following year. There could ſeldom be any ſcarcity of hands, nor could the maſters be obliged to bid againſt one another in order to get them. The hands, on the contrary, would, in this caſe, naturally multiply beyond their employment. There would be a conſtant ſcarcity of employment, and the laborers would be obliged to bid againſt one another in order to get it. If in ſuch a country the wages of labor had ever been more than ſufficient to maintain the laborer, and to enable him to bring up a

family, the competition of the laborers and the intereſt of the maſters would ſoon reduce them to this loweſt rate which is conſiſtent with common humanity. China has been long one of the richeſt, that is, one of the moſt fertile, beſt cultivated, moſt induſtrious, and moſt populous countries in the world. It ſeems, however, to have been long ſtationary. Marco Polo, who viſited it more than five hundred years ago, deſcribes its cultivation, induſtry, and populouſneſs, almoſt in the ſame terms in which they are deſcribed by travellers in the preſent times. It had perhaps, even long before his time, acquired that full complement of riches which the nature of its laws and inſtitutions permits it to acquire. The accounts of all travellers, inconſiſtent in many other reſpects, agree in the low wages of labor, and in the difficulty which a laborer finds in bringing up a family in China. If by digging the ground a whole day he can get what will purchaſe a ſmall quantity of rice in the evening, he is contented. The condition of artificers is, if poſſible, ſtill worſe. Inſtead of waiting indolently in their work-houſes, for the calls of their cuſtomers, as in Europe, they are continually running about the ſtreets with the tools of their reſpective trades, offering their ſervice, and as it were begging employment. The poverty of the lower ranks of people in China far ſurpaſſes that of the moſt beggarly nations in Europe. In the neighbourhood of Canton many hundred, it is commonly ſaid, many thouſand families have no habitation on

the land, but live conſtantly in little fiſhing-boats upon the rivers and canals. The ſubſiſtence which they find there is ſo ſcanty that they are eager to fiſh up the naſtieſt garbage thrown overboard from any European ſhip. Any carrion, the carcaſe of a dead dog or cat, for example, though half putrid and ſtinking, is as welcome to them as the moſt wholeſome food to the people of other countries. Marriage is encouraged in China, not by the profitableneſs of children, but by the liberty of deſtroying them. In all great towns ſeveral are every night expoſed in the ſtreet, or drowned like puppies in the water. The performance of this horrid office is even ſaid to be the avowed buſineſs by which ſome people earn their ſubſiſtence.

China, however, though it may perhaps ſtand ſtill, does not ſeem to go backward. Its towns are no-where deſerted by their inhabitants. The lands which had once been cultivated are no-where neglected. The ſame or very nearly the ſame annual labor muſt therefore continue to be performed, and the funds deſtined for maintaining it muſt not, conſequently, be ſenſibly diminiſhed. The loweſt claſs of laborers, therefore, notwithſtanding their ſcanty ſubſiſtence, muſt ſome way or another make ſhift to continue their race ſo far as to keep up their uſual numbers.

But it would be otherwiſe in a country where the funds deſtined for the maintenance of labor were ſenſibly decaying. Every year the demand for ſervants and laborers would, in all the different

claſſes of employments, be leſs than it had been the year before. Many who had been bred in the ſuperior claſſes, not being able to find employment in their own buſineſs, would be glad to ſeek it in the loweſt. The loweſt claſs being not only overſtocked with its own workmen, but with the overflowings of all the other claſſes, the competition for employment would be ſo great in it, as to reduce the wages of labor to the moſt miſerable and ſcanty ſubſiſtence of the laborer. Many would not be able to find employment even upon theſe hard terms, but would either ſtarve, or be driven to ſeek a ſubſiſtence either by begging, or by the perpetration perhaps of the greateſt enormities. Want, famine, and mortality would immediately prevail in that claſs, and from thence extend themſelves to all the ſuperior claſſes, till the number of inhabitants in the country was reduced to what could eaſily be maintained by the revenue and ſtock which remained in it, and which had eſcaped either the tyranny or calamity which had deſtroyed the reſt. This perhaps is nearly the preſent ſtate of Bengal, and of ſome other of the Engliſh ſettlements in the Eaſt Indies. In a fertile country which had before been much depopulated, where ſubſiſtence, conſequently, ſhould not be very difficult, and where, notwithſtanding, three or four hundred thouſand people die of hunger in one year, we may be aſſured that the funds deſtined for the maintenance of the laboring poor are faſt decaying. The difference between the genius of

the Britiſh conſtitution which protects and governs North-America, and that of the mercantile company which oppreſſes and domineers in the Eaſt Indies, cannot perhaps be better illuſtrated than by the different ſtate of thoſe countries.

The liberal reward of labor, therefore, as it is the neceſſary effect, ſo it is the natural ſymptom of increaſing national wealth. The ſcanty maintenance of the laboring poor, on the other hand, is the natural ſymptom that things are at a ſtand, and their ſtarving condition that they are going faſt backwards.

In Great Britain the wages of labor ſeem, in the preſent times, to be evidently more than what is preciſely neceſſary to enable the laborer to bring up a family. In order to ſatiſfy ourſelves upon this point it will not be neceſſary to enter into any tedious or doubtful calculation of what may be the loweſt ſum upon which it is poſſible to do this. There are many plain ſymptoms that the wages of labor are no-where in this country regulated by this loweſt rate which is conſiſtent with common humanity.

Firſt, in almoſt every part of Great Britain there is a diſtinction, even in the loweſt ſpecies of labor, between ſummer and winter wages. Summer wages are always higheſt. But on account of the extraordinary expenſe of fuel, the maintenance of a family is moſt expenſive in winter. Wages, therefore, being higheſt when this expenſe is loweſt, it ſeems evident that they are not regulated by what is neceſſary for this

expenſe; but by the quantity and ſuppoſed value of the work. A laborer, it may be ſaid indeed, ought to ſave part of his ſummer wages in order to defray his winter expenſe; and that through the whole year they do not exceed what is neceſſary to maintain his family through the whole year. A ſlave, however, or one abſolutely dependent on us for immediate ſubſiſtence, would not be treated in this manner. His daily ſubſiſtence would be proportioned to his daily neceſſities.

Secondly, the wages of labor do not in Great Britain fluctuate with the price of proviſions. Theſe vary every-where from year to year, frequently from month to month. But in many places the money price of labor remains uniformly the ſame ſometimes for half a century together. If in theſe places, therefore, the laboring poor can maintain their families in dear years, they muſt be at their eaſe in times of moderate plenty, and in affluence in thoſe of extraordinary cheapneſs. The high price of proviſions during theſe ten years paſt has not in many parts of the kingdom been accompanied with any ſenſible riſe in the money price of labor. It has, indeed, in ſome; owing probably more to the increaſe of the demand for labor than to that of the price of proviſions.

Thirdly, as the price of proviſions varies more from year to year than the wages of labor, ſo, on the other hand, the wages of labor vary more from place to place than the price of proviſions. The prices of bread and butcher's meat are generally the ſame or very nearly the ſame

through

through the greater part of the united kingdom. Thefe and moft other things which are fold by retail, the way in which the laboring poor buy all things, are generally fully as cheap or cheaper in great towns than in the remoter parts of the country, for reafons which I fhall have occafion to explain hereafter. But the wages of labor in a great town and its neighbourhood are frequently a fourth or a fifth part, twenty or five-and-twenty per cent. higher than at a few miles diftance. Eighteen pence a day may be reckoned the common price of labor in London and its neighbourhood. At a few miles diftance it falls to fourteen and fifteen pence. Ten pence may be reckoned its price in Edinburgh and its neighbourhood. At a few miles diftance it falls to eight pence, the ufual price of common labor through the greater part of the low country of Scotland, where it varies a good deal lefs than in England. Such a difference of prices, which it feems is not always fufficient to tranfport a man from one parifh to another, would neceffarily occafion fo great a tranfportation of the moft bulky commodities, not only from one parifh to another, but from one end of the kingdom, almoft from one end of the world to the other, as would foon reduce them more nearly to a level. After all that has been faid of the levity and inconftancy of human nature, it appears evidently from experience that a man is of all forts of luggage the moft difficult to be tranfported. If the laboring poor, therefore, can maintain their families in thofe parts of the kingdom where the price of

labor is loweſt, they muſt be in affluence where it is higheſt.

Fourthly, the variations in the price of labor not only do not correſpond either in place or time with thoſe in the price of proviſions, but they are frequently quite oppoſite.

Grain, the food of the common people, is dearer in Scotland than in England, whence Scotland receives almoſt every year very large ſupplies. But Engliſh corn muſt be ſold dearer in Scotland, the country to which it is brought, than in England, the country from which it comes; and in proportion to its quality it cannot be ſold dearer in Scotland than the Scotch corn that comes to the ſame market in competition with it. The quality of grain depends chiefly upon the quantity of flour or meal which it yields at the mill, and in this reſpect Engliſh grain is ſo much ſuperior to the Scotch, that, though often dearer in appearance, or in proportion to the meaſure of its bulk, it is generally cheaper in reality, or in proportion to its quality, or even to the meaſure of its weight. The price of labor, on the contrary, is dearer in England than in Scotland. If the laboring poor, therefore, can maintain their families in the one part of the united kingdom, they muſt be in affluence in the other. Oatmeal indeed ſupplies the common people in Scotland with the greateſt and the beſt part of their food, which is in general much inferior to that of their neighbours of the ſame rank in England. This difference, however, in the mode of their ſubſiſtence is not the cauſe

but the effect of the difference in their wages; though, by a ſtrange miſapprehenſion, I have frequently heard it repreſented as the cauſe. It is not becauſe one man keeps a coach while his neighbour walks a-foot, that the one is rich and the other poor; but becauſe the one is rich he keeps a coach, and becauſe the other is poor he walks a-foot.

During the courſe of the laſt century, taking one year with another, grain was dearer in both parts of the united kingdom than during that of the preſent. This is a matter of fact which cannot now admit of any reaſonable doubt; and the proof of it is, if poſſible, ſtill more deciſive with regard to Scotland than with regard to England. It is in Scotland ſupported by the evidence of the public fiars, annual valuations made upon oath, according to the actual ſtate of the markets, of all the different ſorts of grain in every different county of Scotland. If ſuch direct proof could require any collateral evidence to confirm it, I would obſerve that this has likewiſe been the caſe in France, and probably in moſt other parts of Europe. With regard to France there is the cleareſt proof. But though it is certain that in both parts of the united kingdom grain was ſomewhat dearer in the laſt century than in the preſent, it is equally certain that labor was much cheaper. If the laboring poor, therefore, could bring up their families then, they muſt be much more at their eaſe now. In the laſt century, the moſt uſual day-wages of common labor through the greater part of Scotland

were ſixpence in ſummer and five-pence in winter. Three ſhillings a week, the ſame price very nearly, ſtill continues to be paid in ſome parts of the Highlands and Weſtern Iſlands. Through the greater part of the low country the moſt uſual wages of common labor are now eight-pence a day; ten-pence, ſometimes a ſhilling about Edinburgh, in the counties which border upon England, probably on account of that neighbourhood, and in a few other places where there has lately been a conſiderable riſe in the demand for labor, about Glaſgow, Carron, Ayr-ſhire, &c. In England the improvements of agriculture, manufactures and commerce began much earlier than in Scotland. The demand for labor, and conſequently its price, muſt neceſſarily have increaſed with thoſe improvements. In the laſt century, accordingly, as well as in the preſent, the wages of labor were higher in England than in Scotland. They have riſen too conſiderably ſince that time, though, on account of the greater variety of wages paid there in different places, it is more difficult to aſcertain how much. In 1614, the pay of a foot ſoldier was the ſame as in the preſent times, eight pence a day. When it was firſt eſtabliſhed it would naturally be regulated by the uſual wages of common laborers, the rank of people from which foot ſoldiers are commonly drawn. Lord Chief Juſtice Hales, who wrote in the time of Charles II. computes the neceſſary expenſe of a laborer's family, conſiſting of ſix perſons, the father and mother, two children able

to do ſomething, and two not able, at ten ſhillings a week, or twenty-ſix pounds a year. If they cannot earn this by their labor, they muſt make it up, he ſuppoſes, either by begging or ſtealing. He appears to have inquired very carefully into this ſubject *. In 1688, Mr. Gregory King, whoſe ſkill in political arithmetic is ſo much extolled by Doctor Davenant, computed the ordinary income of laborers and out-ſervants to be fifteen pounds a year to a family, which he ſuppoſed to conſiſt, one with another, of three and a half perſons. His calculation, therefore, though different in appearance, correſponds very nearly at bottom with that of judge Hales. Both ſuppoſe the weekly expenſe of ſuch families to be about twenty pence a head. Both the pecuniary income and expenſe of ſuch families have increaſed conſiderably ſince that time through the greater part of the kingdom; in ſome places more, and in ſome leſs; though perhaps ſcarce any where ſo much as ſome exaggerated accounts of the preſent wages of labor have lately repreſented them to the public. The price of labor, it muſt be obſerved, cannot be aſcertained very accurately any where, different prices being often paid at the ſame place and for the ſame ſort of labor, not only according to the different abilities of the workmen, but according to the eaſineſs or hardneſs of the maſters. Where wages are not regulated by law, all that we

* See his ſcheme for the maintenance of the Poor, in Burn's Hiſtory of the Poor-laws.

can pretend to determine is what are the moſt uſual; and experience ſeems to ſhow that law can never regulate them properly, though it has often pretended to do ſo.

The real recompence of labor, the real quantity of the neceſſaries and conveniencies of life which it can procure to the laborer, has, during the courſe of the preſent century, increaſed perhaps in a ſtill greater proportion than its money price. Not only grain has become ſomewhat cheaper, but many other things from which the induſtrious poor derive an agreeable and wholeſome variety of food, have become a great deal cheaper. Potatoes, for example, do not at preſent, through the greater part of the kingdom, coſt half the price which they uſed to do thirty or forty years ago. The ſame thing may be ſaid of turnips, carrots, cabbages; things which were formerly never raiſed but by the ſpade, but which are now commonly raiſed by the plough. All ſort of garden ſtuff too has become cheaper. The greater part of the apples and even of the onions conſumed in Great Britain were in the laſt century imported from Flanders. The great improvements in the coarſer manufactures of both linen and woollen cloth furniſh the laborers with cheaper and better cloathing; and thoſe in the manufactures of the coarſer metals, with cheaper and better inſtruments of trade, as well as with many agreeable and convenient pieces of houſhold furniture. Soap, ſalt, candles, leather, and fermented liquors have, indeed, become a good deal dearer; chiefly from the taxes which

have been laid upon them. The quantity of theſe, however, which the laboring poor are under any neceſſity of conſuming, is ſo very ſmall, that the increaſe in their price does not compenſate the diminution in that of ſo many other things. The common complaint that luxury extends itſelf even to the loweſt ranks of the people, and that the laboring poor will not now be contented with the ſame food, cloathing and lodging which ſatisfied them in former times, may convince us that it is not the money price of labor only, but its real recompence, which has augmented.

Is this improvement in the circumſtances of the lower ranks of the people to be regarded as an advantage or as an inconveniency to the ſociety? The anſwer ſeems at firſt ſight abundantly plain. Servants, laborers and workmen of different kinds, make up the far greater part of every great political ſociety. But what improves the circumſtances of the greater part can never be regarded as an inconveniency to the whole. No ſociety can ſurely be flouriſhing and happy, of which the far greater part of the members are poor and miſerable. It is but equity, beſides, that they who feed, cloath and lodge the whole body of the people, ſhould have ſuch a ſhare of the produce of their own labor as to be themſelves tolerably well fed, cloathed and lodged.

Poverty, though it no doubt diſcourages, does not always prevent marriage. It ſeems even to be favorable to generation. A half-ſtarved

Highland woman frequently bears more than twenty children, while a pampered fine lady is often incapable of bearing any, and is generally exhausted by two or three. Barrenness, so frequent among women of fashion, is very rare among those of inferior station. Luxury in the fair sex, while it inflames perhaps the passion for enjoyment, seems always to weaken, and frequently to destroy altogether, the powers of generation.

But poverty, though it does not prevent the generation, is extremely unfavorable to the rearing of children. The tender plant is produced, but in so cold a soil and so severe a climate, soon withers and dies. It is not uncommon, I have been frequently told, in the Highlands of Scotland for a mother who has borne twenty children not to have two alive. Several officers of great experience have assured me, that so far from recruiting their regiment, they have never been able to supply it with drums and fifes from all the soldiers children that were born in it. A greater number of fine children, however, is seldom seen anywhere than about a barrack of soldiers. Very few of them, it seems, arrive at the age of thirteen or fourteen. In some places one half the children born die before they are four years of age; in many places before they are seven; and in almost all places before they are nine or ten. This great mortality, however, will every where be found chiefly among the children of the common people, who cannot afford to tend them with the same care as those

of better ſtation. Though their marriages are generally more fruitful than thoſe of people of faſhion, a ſmaller proportion of their children arrive at maturity. In foundling hoſpitals, and among the children brought up by pariſh charities, the mortality is ſtill greater than among thoſe of the common people.

Every ſpecies of animals naturally multiplies in proportion to the means of their ſubſiſtence, and no ſpecies can ever multiply beyond it. But in civilized ſociety it is only among the inferior ranks of people that the ſcantineſs of ſubſiſtence can ſet limits to the further multiplication of the human ſpecies; and it can do ſo in no other way than by deſtroying a great part of the children which their fruitful marriages produce.

The liberal reward of labor, by enabling them to provide better for their children, and conſequently to bring up a greater number, naturally tends to widen and extend thoſe limits. It deſerves to be remarked too, that it neceſſarily does this as nearly as poſſible in the proportion which the demand for labor requires. If this demand is continually increaſing, the reward of labor muſt neceſſarily encourage in ſuch a manner the marriage and multiplication of laborers, as may enable them to ſupply that continually increaſing demand by a continually increaſing population. If the reward ſhould at any time be leſs than what was requiſite for this purpoſe, the deficiency of hands would ſoon raiſe it; and if it ſhould at any time be more, their exceſſive multiplication would ſoon lower it to

this neceſſary rate. The market would be ſo much under-ſtocked with labor in the one caſe, and ſo much over-ſtocked in the other, as would ſoon force back its price to that proper rate which the circumſtances of the ſociety required. It is in this manner that the demand for men, like that for any other commmodity, neceſſarily regulates the production of men; quickens it when it goes on too ſlowly, and ſtops it when it advances too faſt. It is this demand which regulates and determines the ſtate of propagation in all the different countries of the world, in North-America, in Europe, and in China; which renders it rapidly progreſſive in the firſt, ſlow and gradual in the ſecond, and altogether ſtationary in the laſt.

The wear and tear of a ſlave, it has been ſaid, is at the expenſe of his maſter; but that of a free ſervant is at his own expenſe. The wear and tear of the latter, however, is, in reality, as much at the expenſe of his maſter as that of the former. The wages paid to journeymen and ſervants of every kind muſt be ſuch as may enable them, one with another, to continue the race of journeymen and ſervants, according as the increaſing, diminiſhing, or ſtationary demand of the ſociety may happen to require. But though the wear and tear of a free ſervant be equally at the expenſe of his maſter, it generally coſts him much leſs than that of a ſlave. The fund deſtined for replacing or repairing, if I may ſay ſo, the wear and tear of the ſlave, is commonly managed by a negligent maſter or careleſs overſeer. That deſtined for performing the

ſame office with regard to the free man, is managed by the free man himſelf. The diſorders which generally prevail in the œconomy of the rich, naturally introduce themſelves into the management of the former: The ſtrict frugality and parſimonious attention of the poor as naturally eſtabliſh themſelves in that of the latter. Under ſuch different management, the ſame purpoſe muſt require very different degrees of expenſe to execute it. It appears, accordingly, from the experience of all ages and nations, I believe, that the work done by freemen comes cheaper in the end than that performed by ſlaves. It is found to do ſo even at Boſton, New York, and Philadelphia, where the wages of common labor are ſo very high.

The liberal reward of labor, therefore, as it is the effect of increaſing wealth, ſo it is the cauſe of increaſing population. To complain of it is to lament over the neceſſary effect and cauſe of the greateſt public proſperity.

It deſerves to be remarked, perhaps, that it is in the progreſſive ſtate, while the ſociety is advancing to the further acquiſition, rather than when it has acquired its full complement of riches, that the condition of the laboring poor, of the great body of the people, ſeems to be the happieſt and the moſt comfortable. It is hard in the ſtationary, and miſerable in the declining ſtate. The progreſſive ſtate is in reality the chearful and the hearty ſtate to all the different orders of the ſociety. The ſtationary is dull; the declining, melancholy.

The liberal reward of labor, as it encourages the propagation, ſo it increaſes the induſtry of the common people. The wages of labor are the encouragement of induſtry, which, like every other human quality, improves in proportion to the encouragement it receives. A plentiful ſubſiſtence increaſes the bodily ſtrength of the laborer, and the comfortable hope of bettering his condition, and of ending his days perhaps in eaſe and plenty, animates him to exert that ſtrength to the utmoſt. Where wages are high, accordingly, we ſhall always find the workmen more active, diligent, and expeditious, than where they are low; in England, for example, than in Scotland; in the neighbourhood of great towns, than in remote country places. Some workmen, indeed, when they can earn in four days what will maintain them through the week, will be idle the other three. This, however, is by no means the caſe with the greater part. Workmen, on the contrary, when they are liberally paid by the piece, are very apt to over-work themſelves, and to ruin their health and conſtitution in a few years. A carpenter in London, and in ſome other places, is not ſuppoſed to laſt in his utmoſt vigor above eight years. Something of the ſame kind happens in many other trades, in which the workmen are paid by the piece; as they generally are in manufactures, and even in country labor, wherever wages are higher than ordinary. Almoſt every claſs of artificers is ſubject to ſome peculiar infirmity occaſioned by exceſſive application

to their peculiar ſpecies of work. Ramuzzini, an eminent Italian phyſician, has written a particular book concerning ſuch diſeaſes. We do not reckon our ſoldiers the moſt induſtrious ſet of people among us. Yet when ſoldiers have been employed in ſome particular ſorts of work, and liberally paid by the piece, their officers have frequently been obliged to ſtipulate with the undertaker, that they ſhould not be allowed to earn above a certain ſum every day, according to the rate at which they were paid. Till this ſtipulation was made, mutual emulation and the deſire of greater gain, frequently prompted them to over-work themſelves, and to hurt their health by exceſſive labor. Exceſſive application during four days of the week, is frequently the real cauſe of the idleneſs of the other three, ſo much and ſo loudly complained of. Great labor, either of mind or body, continued for ſeveral days together, is in moſt men naturally followed by a great deſire of relaxation, which, if not reſtrained by force or by ſome ſtrong neceſſity, is almoſt irreſiſtible. It is the call of nature, which requires to be relieved by ſome indulgence, ſometimes of eaſe only, but ſometimes too of diſſipation and diverſion. If it is not complied with, the conſequences are often dangerous, and ſometimes fatal, and ſuch as almoſt always, ſooner or later, bring on the peculiar infirmity of the trade. If maſters would always liſten to the dictates of reaſon and humanity, they have frequently occaſion rather to moderate, than to animate the application of many of their workmen.

It will be found, I believe, in every ſort of trade that the man who works ſo moderately, as to be able to work conſtantly, not only preſerves his health the longeſt, but, in the courſe of the year, executes the greateſt quantity of work.

In cheap years, it is pretended, workmen are generally more idle, and in dear ones more induſtrious than ordinary. A plentiful ſubſiſtence, therefore, it has been concluded, relaxes, and a ſcanty one quickens their induſtry. That a little more plenty than ordinary may render ſome workmen idle, cannot well be doubted; but that it ſhould have this effect upon the greater part, or that men in general ſhould work better when they are ill fed than when they are well fed, when they are diſheartened than when they are in good ſpirits, when they are frequently ſick than when they are generally in good health, ſeems not very probable. Years of dearth, it is to be obſerved, are generally among the common people years of ſickneſs and mortality, which cannot fail to diminiſh the produce of their induſtry.

In years of plenty, ſervants frequently leave their maſters, and truſt their ſubſiſtence to what they can make by their own induſtry. But the ſame cheapneſs of proviſions, by increaſing the fund which is deſtined for the maintenance of ſervants, encourages maſters, farmers eſpecially, to employ a greater number. Farmers upon ſuch occaſions expect more profit from their corn by maintaining a few more laboring ſervants, than

by felling it at a low price in the market. The demand for fervants increafes, while the number of thofe who offer to fupply that demand diminifhes. The price of labor, therefore, frequently rifes in cheap years.

In years of fcarcity, the difficulty and uncertainty of fubfiftence make all fuch people eager to return to fervice. But the high price of provifions, by diminifhing the funds deftined for the maintenance of fervants, difpofes mafters rather to diminifh than to increafe the number of thofe they have. In dear years too, poor independent workmen frequently confume the little ftocks with which they had ufed to fupply themfelves with the materials of their work, and are obliged to become journeymen for fubfiftence. More people want employment than can eafily get it; many are willing to take it upon lower terms than ordinary, and the wages of both fervants and journeymen frequently fink in dear years.

Mafters of all forts, therefore, frequently make better bargains with their fervants in dear than in cheap years, and find them more humble and dependent in the former than in the latter. They naturally, therefore, commend the former as more favorable to induftry. Landlords and farmers, befides, two of the largeft claffes of mafters, have another reafon for being pleafed with dear years. The rents of the one and the profits of the other depend very much upon the price of provifions. Nothing can be more abfurd, however, than to imagine that men in general fhould work lefs

when they work for themſelves, than when they work for other people. A poor independent workman will generally be more induſtrious than even a journeyman who works by the piece. The one enjoys the whole produce of his own induſtry; the other ſhares it with his maſter. The one, in his ſeparate independent ſtate, is leſs liable to the temptations of bad company, which in large manufactories ſo frequently ruin the morals of the other. The ſuperiority of the independent workman over thoſe ſervants who are hired by the month or by the year, and whoſe wages and maintenance are the ſame whether they do much or do little, is likely to be ſtill greater. Cheap years tend to increaſe the proportion of independent workmen to journeymen and ſervants of all kinds, and dear years to diminiſh it.

A French author of great knowledge and ingenuity, Mr. Meſſance, receiver of the tailles in the election of St. Etienne, endeavours to ſhow that the poor do more work in cheap than in dear years, by comparing the quantity and value of the goods made upon thoſe different occaſions in three different manufactures; one of coarſe woollens carried on at Elbeuf; one of linen, and another of ſilk, both which extend through the whole generality of Rouen. It appears from his account, which is copied from the regiſters of the public offices, that the quantity and value of the goods made in all thoſe three manufactures has generally been greater in cheap than in dear years; and that it has always

been

been greateſt in the cheapeſt, and leaſt in the deareſt years. All the three ſeem to be ſtationary manufactures, or which, though their produce may vary ſomewhat from year to year, are upon the whole neither going backwards nor forwards.

The manufacture of linen in Scotland, and that of coarſe woollens in the weſt riding of Yorkſhire, are growing manufactures, of which the produce is generally, though with ſome variations, increaſing both in quantity and value. Upon examining, however, the accounts which have been publiſhed of their annual produce, I have not been able to obſerve that its variations have had any ſenſible connexion with the dearneſs or cheapneſs of the ſeaſons. In 1740, a year of great ſcarcity, both manufactures, indeed, appear to have declined very conſiderably. But in 1756, another year of great ſcarcity, the Scotch manufacture made more than ordinary advances. The Yorkſhire manufacture, indeed, declined, and its produce did not riſe to what it had been in 1755 till 1766, after the repeal of the American ſtamp act. In that and the following year it greatly exceeded what it had ever been before, and it has continued to advance ever ſince.

The produce of all great manufactures for diſtant ſale muſt neceſſarily depend, not ſo much upon the dearneſs or cheapneſs of the ſeaſons in the countries where they are carried on, as upon the circumſtances which affect the demand in the countries where they are conſumed; upon peace or war, upon the proſperity or declenſion of

other rival manufactures, and upon the good or bad humor of their principal cuftomers. A great part of the extraordinary work, befides, which is probably done in cheap years, never enters the public regifters of manufactures. The men fervants who leave their mafters become independent laborers. The women return to their parents, and commonly fpin in order to make cloaths for themfelves and their families. Even the independent workmen do not always work for public fale, but are employed by fome of their neighbours in manufactures for family ufe. The produce of their labor, therefore, frequently makes no figure in thofe public regifters of which the records are fometimes publifhed with fo much parade, and from which our merchants and manufacturers would often vainly pretend to announce the profperity or declenfion of the greateft empires.

Though the variations in the price of labor, not only do not always correfpond with thofe in the price of provifions, but are frequently quite oppofite, we muft not, upon this account, imagine that the price of provifions has no influence upon that of labor. The money price of labor is neceffarily regulated by two circumftances; the demand for labor, and the price of the neceffaries and conveniencies of life. The demand for labor, according as it happens to be increafing, ftationary, or declining, or to require an increafing, ftationary, or declining population, determines the quantity of the neceffaries and conveniencies of life which muft be

given to the laborer; and the money price of labor is determined by what is requiſite for purchaſing this quantity. Though the money price of labor, therefore, is ſometimes high where the price of proviſions is low, it would be ſtill higher, the demand continuing the ſame, if the price of proviſions was high.

It is becauſe the demand for labor increaſes in years of ſudden and extraordinary plenty, and diminiſhes in thoſe of ſudden and extraordinary ſcarcity, that the money price of labor ſometimes riſes in the one, and ſinks in the other.

In a year of ſudden and extraordinary plenty, there are funds in the hands of many of the employers of induſtry, ſufficient to maintain and employ a greater number of induſtrious people than had been employed the year before; and this extraordinary number cannot always be had. Thoſe maſters, therefore, who want more workmen, bid againſt one another, in order to get them, which ſometimes raiſes both the real and the money price of their labor.

The contrary of this happens in a year of ſudden and extraordinary ſcarcity. The funds deſtined for employing induſtry are leſs than they had been the year before. A conſiderable number of people are thrown out of employment, who bid againſt one another, in order to get it, which ſometimes lowers both the real and the money price of labor. In 1740, a year of extraordinary ſcarcity, many people were willing to work for bare ſubſiſtence. In the ſucceeding

years of plenty, it was more difficult to get laborers and ſervants.

The ſcarcity of a dear year, by diminiſhing the demand for labor, tends to lower its price, as the high price of proviſions tends to raiſe it. The plenty of a cheap year, on the contrary, by increaſing the demand, tends to raiſe the price of labor, as the cheapneſs of proviſions tends to lower it. In the ordinary variations of the price of proviſions, thoſe two oppoſite cauſes ſeem to counterbalance one another; which is probably in part the reaſon why the wages of labor are every-where ſo much more ſteady and permanent than the price of proviſions.

The increaſe in the wages of labor neceſſarily increaſes the price of many commodities, by increaſing that part of it which reſolves itſelf into wages, and ſo far tends to diminiſh their conſumption both at home and abroad. The ſame cauſe, however, which raiſes the wages of labor, the increaſe of ſtock, tends to increaſe its productive powers, and to make a ſmaller quantity of labor produce a greater quantity of work. The owner of the ſtock which employs a great number of laborers, neceſſarily endeavours, for his own advantage, to make ſuch a proper diviſion and diſtribution of employment, that they may be enabled to produce the greateſt quantity of work poſſible. For the ſame reaſon, he endeavours to ſupply them with the beſt machinery which either he or they can think of. What takes place among the laborers in a particular

workhoufe, takes place, for the fame reafon, among thofe of a great fociety. The greater their number, the more they naturally divide themfelves into different claffes and fubdivifions of employment. More heads are occupied in inventing the moft proper machinery for executing the work of each, and it is, therefore, more likely to be invented. There are many commodities, therefore, which, in confequence of thefe improvements, come to be produced by fo much lefs labor than before, that the increafe of its price is more than compenfated by the diminution of its quantity.

CHAP. IX.

Of the Profits of Stock.

THE rife and fall in the profits of ftock depend upon the fame caufes with the rife and fall in the wages of labor, the increafing or declining ftate of the wealth of the fociety; but thofe caufes affect the one and the other very differently.

The increafe of ftock, which raifes wages, tends to lower profit. When the ftocks of many rich merchants are turned into the fame trade, their mutual competition naturally tends to lower its profit; and when there is a like increafe of ftock in all the different trades carried

on in the ſame ſociety, the ſame competition muſt produce the ſame effect in them all.

It is not eaſy, it has already been obſerved, to aſcertain what are the average wages of labor even in a particular place, and at a particular time. We can, even in this caſe, ſeldom determine more than what are the moſt uſual wages. But even this can ſeldom be done with regard to the profits of ſtock. Profit is ſo very fluctuating, that the perſon who carries on a particular trade cannot always tell you himſelf what is the average of his annual profit. It is affected, not only by every variation of price in the commodities which he deals in, but by the good or bad fortune both of his rivals and of his cuſtomers, and by a thouſand other accidents to which goods when carried either by ſea or by land, or even when ſtored in a warehouſe, are liable. It varies, therefore, not only from year to year, but from day to day, and almoſt from hour to hour. To aſcertain what is the average profit of all the different trades carried on in a great kingdom, muſt be much more difficult; and to judge of what it may have been formerly, or in remote periods of time, with any degree of preciſion, muſt be altogether impoſſible.

But though it may be impoſſible to determine, with any degree of preciſion, what are or were the average profits of ſtock, either in the preſent, or in ancient times, ſome notion may be formed of them from the intereſt of money. It may be laid down as a maxim, that wherever a great deal can be made by the uſe of money,

a great deal will commonly be given for the uſe of it; and that wherever little can be made by it, leſs will commonly be given for it. According, therefore, as the uſual market rate of intereſt varies in any country, we may be aſſured that the ordinary profits of ſtock muſt vary with it, muſt ſink as it ſinks, and riſe as it riſes. The progreſs of intereſt, therefore, may lead us to form ſome notion of the progreſs of profit.

By the 37th of Henry VIII. all intereſt above ten per cent. was declared unlawful. More, it ſeems, had ſometimes been taken before that. In the reign of Edward VI. religious zeal prohibited all intereſt. This prohibition, however, like all others of the ſame kind, is ſaid to have produced no effect, and probably rather increaſed than diminiſhed the evil of uſury. The ſtatute of Henry VIII. was revived by the 13th of Elizabeth, cap. 8. and ten per cent. continued to be the legal rate of intereſt till the 21ſt of James I. when it was reſtricted to eight per cent. It was reduced to ſix per cent. ſoon after the reſtoration, and by the 12th of Queen Anne, to five per cent. All theſe different ſtatutory regulations ſeem to have been made with great propriety. They ſeem to have followed and not to have gone before the market rate of intereſt, or the rate at which people of good credit uſually borrowed. Since the time of Queen Anne, five per cent. ſeems to have been rather above than below the market rate. Before the late war, the government borrowed at three per cent.; and people of good credit in the capital, and in

many other parts of the kingdom, at three and a half, four, and four and a half per cent.

Since the time of Henry VIII. the wealth and revenue of the country have been continually advancing, and, in the courfe of their progrefs, their pace feems rather to have been gradually accelerated than retarded. They feem, not only to have been going on, but to have been going on fafter and fafter. The wages of labor have been continually increafing during the fame period, and in the greater part of the different branches of trade and manufactures the profits of ftock have been diminifhing.

It generally requires a greater ftock to carry on any fort of trade in a great town than in a country village. The great ftocks employed in every branch of trade, and the number of rich competitors, generally reduce the rate of profit in the former below what it is in the latter. But the wages of labor are generally higher in a great town than in a country village. In a thriving town the people who have great ftocks to employ, frequently cannot get the number of workmen they want, and therefore bid againft one another in order to get as many as they can, which raifes the wages of labor, and lowers the profits of ftock. In the remote parts of the country there is frequently not ftock fufficient to employ all the people, who therefore bid againft one another in order to get employment, which lowers the wages of labor, and raifes the profits of ftock.

In Scotland, though the legal rate of intereſt is the ſame as in England, the market rate is rather higher. People of the beſt credit there ſeldom borrow under five per cent. Even private bankers in Edinburgh give four per cent. upon their promiſſory notes, of which payment either in whole or in part may be demanded at pleaſure. Private bankers in London give no intereſt for the money which is depoſited with them. There are few trades which cannot be carried on with a ſmaller ſtock in Scotland than in England. The common rate of profit, therefore, muſt be ſomewhat greater. The wages of labor, it has already been obſerved, are lower in Scotland than in England. The country too is not only much poorer, but the ſteps by which it advances to a better condition, for it is evidently advancing, ſeem to be much ſlower and more tardy.

The legal rate of intereſt in France has not, during the courſe of the preſent century, been always regulated by the market rate *. In 1720 intereſt was reduced from the twentieth to the fiftieth penny, or from five to two per cent. In 1724 it was raiſed to the thirtieth penny, or to 3⅓ per cent. In 1725 it was again raiſed to the twentieth penny, or to five per cent. In 1766, during the adminiſtration of Mr. Laverdy, it was reduced to the twenty-fifth penny, or to four per cent. The Abbé Terray raiſed it afterwards to the old rate of five per cent. The ſuppoſed

* See Deniſart. Article Taux des Intérêts, tom. iii. p. 18.

purpofe of many of thofe violent reductions of intereft was to prepare the way for reducing that of the public debts; a purpofe which has fometimes been executed. France is perhaps in the prefent times not fo rich a country as England; and though the legal rate of intereft has in France frequently been lower than in England, the market rate has generally been higher; for there, as in other countries, they have feveral very fafe and eafy methods of evading the law. The profits of trade, I have been affured by Britifh merchants who had traded in both countries, are higher in France than in England; and it is no doubt upon this account that many Britifh fubjects chufe rather to employ their capitals in a country where trade is in difgrace, than in one where it is highly refpected. The wages of labor are lower in France than in England. When you go from Scotland to England, the difference which you may remark between the drefs and countenance of the common people in the one country and in the other, fufficiently indicates the difference in their condition. The contraft is ftill greater when you return from France. France, though no doubt a richer country than Scotland, feems not to be going forward fo faft. It is a common and even a popular opinion in the country that it is going backwards; an opinion which, I apprehend, is ill founded even with regard to France, but which nobody can poffibly entertain with regard to Scotland, who fees the country now, and who faw it twenty or thirty years ago.

The province of Holland, on the other hand, in proportion to the extent of its territory and the number of its people, is a richer country than England. The government there borrow at two per cent., and private people of good credit at three. The wages of labor are ſaid to be higher in Holland than in England, and the Dutch, it is well known, trade upon lower profits than any people in Europe. The trade of Holland, it has been pretended by ſome people, is decaying, and it may perhaps be true that ſome particular branches of it are ſo. But theſe ſymptoms ſeem to indicate ſufficiently that there is no general decay. When profit diminiſhes, merchants are very apt to complain that trade decays; though the diminution of profit is the natural effect of its proſperity, or of a greater ſtock being employed in it than before. During the late war the Dutch gained the whole carrying trade of France, of which they ſtill retain a very large ſhare. The great property which they poſſeſs both in the French and Engliſh funds, about forty millions, it is ſaid, in the latter (in which I ſuſpect, however, there is a conſiderable exaggeration); the great ſums which they lend to private people in countries where the rate of intereſt is higher than in their own, are circumſtances which no doubt demonſtrate the redundancy of their ſtock, or that it has increaſed beyond what they can employ with tolerable profit in the proper buſineſs of their own country: but they do not demonſtrate that that buſineſs has decreaſed. As the capital of a

private man, though acquired by a particular trade, may increafe beyond what he can employ in it, and yet that trade continue to increafe too; fo may likewife the capital of a great nation.

In our North-American and Weft-Indian colonies, not only the wages of labor, but the intereft of money, and confequently the profits of ftock, are higher than in England. In the different colonies both the legal and the market rate of intereft run from fix to eight per cent. High wages of labor and high profits of ftock, however, are things, perhaps, which fcarce ever go together, except in the peculiar circumftances of new colonies. A new colony muft always for fome time be more underftocked in proportion to the extent of its territory, and more under-peopled in proportion to the extent of its ftock, than the greater part of other countries. They have more land than they have ftock to cultivate. What they have, therefore, is applied to the cultivation only of what is moft fertile and moft favorably fituated, the land near the fea fhore, and along the banks of navigable rivers. Such land too is frequently purchafed at a price below the value even of its natural produce. Stock employed in the purchafe and improvement of fuch lands muft yield a very large profit, and confequently afford to pay a very large intereft. Its rapid accumulation in fo profitable an employment enables the planter to increafe the number of his hands fafter than he can find them in a new fettlement. Thofe whom he can find, therefore, are very liberally rewarded.

As the colony increafes, the profits of ftock gradually diminifh. When the moft fertile and beft fituated lands have been all occupied, lefs profit can be made by the cultivation of what is inferior both in foil and fituation, and lefs intereft can be afforded for the ftock which is fo employed. In the greater part of our colonies, accordingly, both the legal and the market rate of intereft have been confiderably reduced during the courfe of the prefent century. As riches, improvement, and population have increafed, intereft has declined. The wages of labor do not fink with the profits of ftock. The demand for labor increafes with the increafe of ftock whatever be its profits; and after thefe are diminifhed, ftock may not only continue to increafe, but to increafe much fafter than before. It is with induftrious nations who are advancing in the acquifition of riches, as with induftrious individuals. A great ftock, though with fmall profits, generally increafes fafter than a fmall ftock with great profits. Money, fays the proverb, makes money. When you have got a little, it is often eafy to get more. The great difficulty is to get that little. The connexion between the increafe of ftock and that of induftry, or of the demand for ufeful labor, has partly been explained already, but will be explained more fully hereafter in treating of the accumulation of ftock.

The acquifition of new territory, or of new branches of trade, may fometimes raife the profits of ftock, and with them the intereft of money,

even in a country which is faſt advancing in the acquiſition of riches. The ſtock of the country not being ſufficient for the whole acceſſion of buſineſs, which ſuch acquiſitions preſent to the different people among whom it is divided, is applied to thoſe particular branches only which afford the greateſt profit. Part of what had before been employed in other trades, is neceſſarily withdrawn from them, and turned into ſome of the new and more profitable ones. In all thoſe old trades, therefore, the competition comes to be leſs than before. The market comes to be leſs fully ſupplied with many different ſorts of goods. Their price neceſſarily riſes more or leſs, and yields a greater profit to thoſe who deal in them, who can, therefore, afford to borrow at a higher intereſt. For ſome time after the concluſion of the late war, not only private people of the beſt credit, but ſome of the greateſt companies in London, commonly borrowed at five per cent. who before that had not been uſed to pay more than four, and four and a half per cent. The great acceſſion both of territory and trade, by our acquiſitions in North-America and the Weſt-Indies, will ſufficiently account for this, without ſuppoſing any diminution in the capital ſtock of the ſociety. So great an acceſſion of new buſineſs to be carried on by the old ſtock, muſt neceſſarily have diminiſhed the quantity employed in a great number of particular branches, in which the competition being leſs, the profits muſt have been greater. I ſhall hereafter have occaſion to mention the reaſons which

difpofe me to believe that the capital ftock of Great Britain was not diminifhed even by the enormous expenfe of the late war.

The diminution of the capital ftock of the fociety, or of the funds deftined for the maintenance of induftry, however, as it lowers the wages of labor, fo it raifes the profits of ftock, and confequently the intereft of money. By the wages of labor being lowered, the owners of what ftock remains in the fociety can bring their goods at lefs expenfe to market than before, and lefs ftock being employed in fupplying the market than before, they can fell them dearer. Their goods coft them lefs, and they get more for them. Their profits, therefore, being augmented at both ends, can well afford a large intereft. The great fortunes fo fuddenly and fo eafily acquired in Bengal and the other Britifh fettlements in the Eaft-Indies, may fatisfy us that, as the wages of labor are very low, fo the profits of ftock are very high in thofe ruined countries. The intereft of money is proportionably fo. In Bengal, money is frequently lent to the farmers at forty, fifty, and fixty per cent. and the fucceeding crop is mortgaged for the payment. As the profits which can afford fuch an intereft muft eat up almoft the whole rent of the landlord, fo fuch enormous ufury muft in its turn eat up the greater part of thofe profits. Before the fall of the Roman republic, a ufury of the fame kind feems to have been common in the provinces, under the ruinous adminiftration of their proconfuls. The virtuous Brutus lent

money in Cyprus at eight-and-forty per cent. as we learn from the letters of Cicero.

In a country which had acquired that full complement of riches which the nature of its foil and climate, and its fituation with refpect to other countries, allowed it to acquire; which could, therefore, advance no further, and which was not going backwards, both the wages of labor and the profits of ftock would probably be very low. In a country fully peopled in proportion to what either its territory could maintain or its ftock employ, the competition for employment would neceffarily be fo great as to reduce the wages of labor to what was barely fufficient to keep up the number of laborers, and, the country being already fully peopled, that number could never be augmented. In a country fully ftocked in proportion to all the bufinefs it had to tranfact, as great a quantity of ftock would be employed in every particular branch as the nature and extent of the trade would admit. The competition, therefore, would every-where be as great, and confequently the ordinary profit as low as poffible.

But perhaps no country has ever yet arrived at this degree of opulence. China feems to have been long ftationary, and had probably long ago acquired that full complement of riches which is confiftent with the nature of its laws and inftitutions. But this complement may be much inferior to what, with other laws and inftitutions, the nature of its foil, climate, and fituation might admit of. A country which neglects

or

or deſpiſes foreign commerce, and which admits the veſſels of foreign nations into one or two of its ports only, cannot tranſact the ſame quantity of buſineſs which it might do with different laws and inſtitutions. In a country too, where, though the rich or the owners of large capitals enjoy a good deal of ſecurity, the poor or the owners of ſmall capitals enjoy ſcarce any, but are liable, under the pretence of juſtice, to be pillaged and plundered at any time by the inferior mandarines, the quantity of ſtock employed in all the different branches of buſineſs tranſacted within it, can never be equal to what the nature and extent of that buſineſs might admit. In every different branch, the oppreſſion of the poor muſt eſtabliſh the monopoly of the rich, who, by engroſſing the whole trade to themſelves, will be able to make very large profits. Twelve per cent. accordingly is ſaid to be the common intereſt of money in China, and the ordinary profits of ſtock muſt be ſufficient to afford this large intereſt.

A defect in the law may ſometimes raiſe the rate of intereſt conſiderably above what the condition of the country, as to wealth or poverty, would require. When the law does not enforce the performance of contracts, it puts all borrowers nearly upon the ſame footing with bankrupts or people of doubtful credit in better regulated countries. The uncertainty of recovering his money makes the lender exact the ſame uſurious intereſt which is uſually required from bankrupts. Among the barbarous nations who

over-run the weftern provinces of the Roman empire, the performance of contracts was left for many ages to the faith of the contracting parties. The courts of juftice of their kings feldom intermeddled in it. The high rate of intereft which took place in thofe ancient times may perhaps be partly accounted for from this caufe.

When the law prohibits intereft altogether, it does not prevent it. Many people muft borrow, and nobody will lend without fuch a confideration for the ufe of their money as is fuitable, not only to what can be made by the ufe of it, but to the difficulty and danger of evading the law. The high rate of intereft among all Mahometan nations is accounted for by Mr. Montefquieu, not from their poverty, but partly from this, and partly from the difficulty of recovering the money.

The loweft ordinary rate of profit muft always be fomething more than what is fufficient to compenfate the occafional loffes to which every employment of ftock is expofed. It is this furplus only which is neat or clear profit. What is called grofs profit comprehends frequently, not only this furplus, but what is retained for compenfating fuch extraordinary loffes. The intereft which the borrower can afford to pay is in proportion to the clear profit only.

The loweft ordinary rate of intereft muft, in the fame manner, be fomething more than fufficient to compenfate the occafional loffes to which lending, even with tolerable prudence, is expofed.

Were it not more, charity or friendſhip could be the only motives for lending.

In a country which had acquired its full complement of riches, where in every particular branch of buſineſs there was the greateſt quantity of ſtock that could be employed in it, as the ordinary rate of clear profit would be very ſmall, ſo the uſual market rate of intereſt which could be afforded out of it, would be ſo low as to render it impoſſible for any but the very wealthieſt people to live upon the intereſt of their money. All people of ſmall or middling fortunes would be obliged to ſuperintend themſelves the employment of their own ſtocks. It would be neceſſary that almoſt every man ſhould be a man of buſineſs, or engage in ſome ſort of trade. The province of Holland ſeems to be approaching near to this ſtate. It is there unfaſhionable not to be a man of buſineſs. Neceſſity makes it uſual for almoſt every man to be ſo, and cuſtom every where regulates faſhion. As it is ridiculous not to dreſs, ſo is it, in ſome meaſure, not to be employed, like other people. As a man of a civil profeſſion ſeems awkward in a camp or a garriſon, and is even in ſome danger of being deſpiſed there, ſo does an idle man among men of buſineſs.

The higheſt ordinary rate of profit may be ſuch as, in the price of greater part of commodities, eats up the whole of what ſhould go to the rent of the land, and leaves only what is ſufficient to pay the labor of preparing and bringing

them to market, according to the loweſt rate at which labor can any-where be paid, the bare ſubſiſtence of the laborer. The workman muſt always have been fed in ſome way or other while he was about the work; but the landlord may not always have been paid. The profits of the trade which the ſervants of the Eaſt India Company carry on in Bengal may not perhaps be very far from this rate.

The proportion which the uſual market rate of intereſt ought to bear to the ordinary rate of clear profit, neceſſarily varies as profit riſes or falls. Double intereſt is in Great Britain reckoned, what the merchants call, a good, moderate, reaſonable profit; terms which I apprehend mean no more than a common and uſual profit. In a country where the ordinary rate of clear profit is eight or ten per cent., it may be reaſonable that one half of it ſhould go to intereſt, wherever buſineſs is carried on with borrowed money. The ſtock is at the riſk of the borrower, who, as it were, inſures it to the lender; and four or five per cent. may, in the greater part of trades, be both a ſufficient profit upon the riſk of this inſurance, and a ſufficient recompence for the trouble of employing the ſtock. But the proportion between intereſt and clear profit might not be the ſame in countries where the ordinary rate of profit was either a good deal lower, or a good deal higher. If it were a good deal lower, one half of it perhaps could not be afforded for intereſt; and

more might be afforded if it were a good deal higher.

In countries which are faſt advancing to riches, the low rate of profit may, in the price of many commodities, compenſate the high wages of labor, and enable thoſe countries to ſell as cheap as their leſs thriving neighbours, among whom the wages of labor may be lower.

In reality high profits tend much more to raiſe the price of work than high wages. If in the linen manufacture, for example, the wages of the different working people, the flax-dreſſers, the ſpinners, the weavers, &c. ſhould, all of them, be advanced two pence a day; it would be neceſſary to heighten the price of a piece of linen only be a number of two pences equal to the number of people that had been employed about it, multiplied by the number of days during which they had been ſo employed. That part of the price of the commodity which reſolved itſelf into wages would, through all the different ſtages of the manufacture, riſe only in arithmetical proportion to this riſe of wages. But if the profits of all the different employers of thoſe working people ſhould be raiſed five per cent. that part of the price of the commodity which reſolved itſelf into profit, would, through all the different ſtages of the manufacture, riſe in geometrical proportion to this riſe of profit. The employer of the flax-dreſſers would in ſelling his flax require an additional five per cent, upon the whole value of the materials and wages which he advanced to his workmen. The employer of

the ſpinners would require an additional five per cent. both upon the advanced price of the flax and upon the wages of the ſpinners. And the employer of the weavers would require a like five per cent. both upon the advanced price of the linen yarn and upon the wages of the weavers. In raiſing the price of commodities the riſe of wages operates in the ſame manner as ſimple intereſt does in the accumulation of debt. The riſe of profit operates like compound intereſt. Our merchants and maſter-manufacturers complain much of the bad effects of high wages in raiſing the price, and thereby leſſening the ſale of their goods both at home and abroad. They ſay nothing concerning the bad effects of high profits. They are ſilent with regard to the pernicious effects of their own gains. They complain only of thoſe of other people.

CHAP X.

Of Wages and Profit in the different Employments of Labor and Stock.

THE whole of the advantages and disadvantages of the different employments of labor and ſtock muſt, in the ſame neighbourhood, be either perfectly equal or continually tending to equality. If in the ſame neighbourhood, there was any employment evidently either more or leſs advantageous than the reſt, ſo many people would crowd into it in the one caſe, and ſo many would deſert it in the other, that its advantages would ſoon return to the level of other employments. This at leaſt would be the caſe in a ſociety where things were left to follow their natural courſe, where there was perfect liberty, and where every man was perfectly free both to chuſe what occupation he thought proper, and to change it as often as he thought proper. Every man's intereſt would prompt him to ſeek the advantageous, and to ſhun the diſadvantageous employment.

Pecuniary wages and profit, indeed are every-where in Europe extremely different according to the different employments of labor and ſtock. But this difference ariſes partly from certain circumſtances in the employments themſelves, which either really, or at leaſt in the imaginations of men, make up for a ſmall pecuniary gain in ſome,

and counter-balance a great one in others ; and partly from the policy of Europe, which no-where leaves things at perfect liberty.

The particular consideration of those circumstances and of that policy will divide this chapter into two parts.

PART I.

Inequalities arising from the Nature of the Employments themselves.

THE five following are the principal circumstances which, so far as I have been able to observe, make up for a small pecuniary gain in some employments, and counter-balance a great one in others : first, the agreeableness or disagreeableness of the employments themselves; secondly, the easiness and cheapness, or the difficulty and expense of learning them; thirdly, the constancy or inconstancy of employment in them; fourthly, the small or great trust which must be reposed in those who exercise them; and, fifthly the probability or improbability of success in them.

First, The wages of labor vary with the ease or hardship, the cleanliness or dirtiness, the honorableness or dishonorableness of the employment. Thus in most places, take the year round, a journeyman taylor earns less than a journeyman weaver. His work is much easier. A journeyman weaver earns less than a journeyman smith. His work is not always easier, but it is much cleanlier. A journeyman blacksmith,

though an artificer, ſeldom earns ſo much in twelve hours as a collier, who is only a laborer, does in eight. His work is not quite ſo dirty, is leſs dangerous, and is carried on in day-light, and above ground. Honor makes a great part of the reward of all honorable profeſſions. In point of pecuniary gain, all things conſidered, they are generally under-recompenſed, as I ſhall endeavour to ſhow by and by. Diſgrace has the contrary effect. The trade of a butcher is a brutal and an odious buſineſs; but it is in moſt places more profitable than the greater part of common trades. The moſt deteſtable of all employments, that of public executioner, is, in proportion to the quantity of work done, better paid than any common trade whatever.

Hunting and fiſhing, the moſt important employments of mankind in the rude ſtate of ſociety, become in its advanced ſtate their moſt agreeable amuſements, and they purſue for pleaſure what they once followed from neceſſity. In the advanced ſtate of ſociety, therefore, they are all very poor people who follow as a trade, what other people purſue as a paſtime. Fiſhermen have been ſo ſince the time of * Theocritus. A poacher is every-where a very poor man in Great Britain. In countries where the rigor of the law ſuffers no poachers, the licenſed hunter is not in a much better condition. The natural taſte for thoſe employments makes more people follow them than can live comfortably by them, and the produce of their labor, in proportion

* See Idyllium XXI.

to its quantity, comes always too cheap to market to afford any thing but the moſt ſcanty ſubſiſtence to the laborers.

Diſagreeableneſs and diſgrace affect the profits of ſtock in the ſame manner as the wages of labor. The keeper of an inn or tavern, who is never maſter of his own houſe, and who is expoſed to the brutality of every drunkard, exerciſes neither a very agreeable nor a very creditable buſineſs. But there is ſcarce any common trade in which a ſmall ſtock yields ſo great a profit.

Secondly, The wages of labor vary with the eaſineſs and cheapneſs, or the difficulty and expenſe of learning the buſineſs.

When any expenſive machine is erected, the extraordinary work to be performed by it before it is worn out, it muſt be expected, will replace the capital laid out upon it, with at leaſt the ordinary profits. A man educated at the expenſe of much labor and time to any of thoſe employments which require extraordinary dexterity and ſkill, may be compared to one of thoſe expenſive machines. The work which he learns to perform, it muſt be expected, over and above the uſual wages of common labor, will replace to him the whole expenſe of his education, with at leaſt the ordinary profits of an equally valuable capital. It muſt do this too in a reaſonable time, regard being had to the very uncertain duration of human life, in the ſame manner as to the more certain duration of the machine.

The difference between the wages of ſkilled labor and thoſe of common labor, is founded upon this principle.

The policy of Europe conſiders the labor of all mechanics, artificers, and manufacturers, as ſkilled labor; and that of all country laborers as common labor. It ſeems to ſuppoſe that of the former to be of a more nice and delicate nature than that of the latter. It is ſo perhaps in ſome caſes; but in the greater part it is quite otherwiſe, as I ſhall endeavour to ſhow by and by. The laws and cuſtoms of Europe, therefore, in order to qualify any perſon for exerciſing the one ſpecies of labor, impoſe the neceſſity of an apprenticeſhip, though with different degrees of rigor in different places. They leave the other free and open to every body. During the continuance of the apprenticeſhip, the whole labor of the apprentice belongs to his maſter. In the mean time he muſt, in many caſes, be maintained by his parents or relations, and in almoſt all caſes muſt be cloathed by them. Some money too is commonly given to the maſter for teaching him his trade. They who cannot give money, give time, or become bound for more than the uſual number of years; a conſideration which, though it is not always advantageous to the maſter, on account of the uſual idleneſs of apprentices, is always diſadvantageous to the apprentice. In country labor, on the contrary, the laborer, while he is employed about the eaſier, learns the more difficult parts of his buſineſs, and his own labor maintains him through all the

different ſtages of his employment. It is reaſonable, therefore, that in Europe the wages of mechanics, artificers, and manufacturers, ſhould be ſomewhat higher than thoſe of common laborers. They are ſo accordingly, and their ſuperior gains make them in moſt places be conſidered as a ſuperior rank of people. This ſuperiority, however, is generally very ſmall; the daily or weekly earnings of journeymen in the more common ſorts of manufactures, ſuch as thoſe of plain linen and woollen cloth, computed at an average, are, in moſt places, very little more than the day wages of common laborers. Their employment, indeed, is more ſteady and uniform, and the ſuperiority of their earnings, taking the whole year together, may be ſomewhat greater. It ſeems evidently, however, to be no greater than what is ſufficient to compenſate the ſuperior expenſe of their education.

Education in the ingenious arts and in the liberal profeſſions, is ſtill more tedious and expenſive. The pecuniary recompence, therefore, of painters and ſculptors, of lawyers and phyſicians, ought to be much more liberal: and it is ſo accordingly.

The profits of ſtock ſeem to be very little affected by the eaſineſs or difficulty of learning the trade in which it is employed. All the different ways in which ſtock is commonly employed in great towns ſeem, in reality, to be almoſt equally eaſy and equally difficult to learn. One branch either of foreign or domeſtic trade,

cannot well be a much more intricate businefs than another.

Thirdly, The wages of labor in different occupations vary with the conftancy or inconftancy of employment.

Employment is much more conftant in fome trades than in others. In the greater part of manufactures, a journeyman may be pretty fure of employment almoft every day in the year that he is able to work. A mafon or bricklayer, on the contrary, can work neither in hard froft nor in foul weather, and his employment at all other times depends upon the occafional calls of his cuftomers. He is liable, in confequence, to be frequently without any. What he earns, therefore, while he is employed, muft not only maintain him while he is idle, but make him fome compenfation for thofe anxious and defponding moments which the thought of fo precarious a fituation muft fometimes occafion. Where the computed earnings of the greater part of manufacturers, accordingly, are nearly upon a level with the day wages of common laborers, thofe of mafons and bricklayers are generally from one half more to double thofe wages. Where common laborers earn four and five fhillings a week, mafons and bricklayers frequently earn feven and eight; where the former earn fix, the latter often earn nine and ten; and where the former earn nine and ten, as in London, the latter commonly earn fifteen and eighteen. No fpecies of fkilled labor, however, feems more eafy to learn than that of mafons and bricklayers.

Chairmen in London, during the fummer feafon, are faid fometimes to be employed as bricklayers. The high wages of thofe workmen, therefore, are not fo much the recompence of their fkill, as the compenfation for the inconftancy of their employment.

A houfe carpenter feems to exercife rather a nicer and more ingenious trade than a mafon. In moft places, however, for it is not univerfally fo, his day-wages are fomewhat lower. His employment, though it depends much, does not depend fo entirely upon the occafional calls of his cuftomers; and it is not liable to be interrupted by the weather.

When the trades which generally afford conftant employment, happen in a particular place not to do fo, the wages of the workmen always rife a good deal above their ordinary proportion to thofe of common labor. In London almoft all journeymen artificers are liable to be called upon and difmiffed by their mafters from day to day, and from week to week, in the fame manner as day-laborers in other places. The loweft order of artificers, journeymen taylors, accordingly, earn there half a crown a-day, though eighteen pence may be reckoned the wages of common labor. In fmall towns and country-villages, the wages of journeymen taylors frequently fcarce equal thofe of common labor; but in London they are often many weeks without employment, particularly during the fummer.

When the inconſtancy of employment is combined with the hardſhip, diſagreeableneſs and dirtineſs of the work, it ſometimes raiſes the wages of the moſt common labor above thoſe of the moſt ſkilful artificers. A collier working by the piece is ſuppoſed, at Newcaſtle, to earn commonly about double, and in many parts of Scotland about three times the wages of common labor. His high wages ariſe altogether from the hardſhip, diſagreeableneſs, and dirtineſs of his work. His employment may, upon moſt occaſions, be as conſtant as he pleaſes. The coal-heavers in London exerciſe a trade which in hardſhip, dirtineſs, and diſagreeableneſs, almoſt equals that of colliers; and from the unavoidable irregularity in the arrivals of coal-ſhips, the employment of the greater part of them is neceſſarily very inconſtant. If colliers, therefore, commonly earn double and triple the wages of common labor, it ought not to ſeem unreaſonable that coal-heavers ſhould ſometimes earn four and five times thoſe wages. In the inquiry made into their condition a few years ago, it was found that at the rate at which they were then paid, they could earn from ſix to ten ſhillings a day. Six ſhillings are about four times the wages of common labor in London, and in every particular trade, the loweſt common earnings may always be conſidered as thoſe of the far greater number. How extravagant ſoever thoſe earnings may appear, if they were more than ſufficient to compenſate all the diſagreeable circumſtances of the buſineſs, there

would ſoon be ſo great a number of competitors as, in a trade which has no excluſive privilege, would quickly reduce them to a lower rate.

The conſtancy or inconſtancy of employment cannot affect the ordinary profits of ſtock in any particular trade. Whether the ſtock is or is not conſtantly employed depends, not upon the trade, but the trader.

Fourthly, The wages of labor vary according to the ſmall or great truſt which muſt be repoſed in the workmen.

The wages of goldſmiths and jewellers are every-where ſuperior to thoſe of many other workmen, not only of equal, but of much ſuperior ingenuity; on account of the precious materials with which they are intruſted.

We truſt our health to the phyſician; our fortune and ſometimes our life and reputation to the lawyer and attorney. Such confidence could not ſafely be repoſed in people of a very mean or low condition. Their reward muſt be ſuch, therefore, as may give them that rank in the ſociety which ſo important a truſt requires. The long time and the great expenſe which muſt be laid out in their education, when combined with this circumſtance, neceſſarily enhance ſtill further the price of the labor.

When a perſon employs only his own ſtock in trade, there is no truſt; and the credit which he may get from other people, depends, not upon the nature of his trade, but upon their opinion of his fortune, probity, and prudence. The

different

different rates of profit, therefore, in the different branches of trade, cannot arife from the different degrees of truft repofed in the traders.

Fifthly, The wages of labor in different employments vary according to the probability or improbability of fuccefs in them.

The probability that any particular perfon fhall ever be qualified for the employment to which he is educated, is very different in different occupations. In the greater part of mechanic trades, fuccefs is almoft certain; but very uncertain in the liberal profeffions. Put your fon apprentice to a fhoemaker, there is little doubt of his learning to make a pair of fhoes: But fend him to ftudy the law, it is at leaft twenty to one if ever he makes fuch proficiency as will enable him to live by the bufinefs. In a perfectly fair lottery, thofe who draw the prizes ought to gain all that is loft by thofe who draw the blanks. In a profeffion where twenty fail for one that fucceeds, that one ought to gain all that fhould have been gained by the unfuccefsful twenty. The counfellor at law who, perhaps, at near forty years of age, begins to make fomething by his profeffion, ought to receive the retribution, not only of his own fo tedious and expenfive education, but of that of more than twenty others who are never likely to make any thing by it. How extravagant foever the fees of counfellors at law may fometimes appear, their real retribution is never equal to this. Compute in any particular place, what is likely to be annually gained, and what is likely

to be annually ſpent, by all the different workmen in any common trade, ſuch as that of ſhoemakers or weavers, and you will find that the former ſum will generally exceed the latter. But make the ſame computation with regard to all the counſellors and ſtudents of law, in all the different inns of court, and you will find that their annual gains bear but a very ſmall proportion to their annual expenſe, even though you rate the former as high, and the latter as low, as can well be done. The lottery of the law, therefore, is very far from being a perfectly fair lottery; and that, as well as many other liberal and honorable profeſſions, are, in point of pecuniary gain, evidently under-recompenſed.

Thoſe profeſſions keep their level, however, with other occupations, and, notwithſtanding theſe diſcouragements, all the moſt generous and liberal ſpirits are eager to crowd into them. Two different cauſes contribute to recommend them. Firſt, the deſire of the reputation which attends upon ſuperior excellence in any of them; and, ſecondly, the natural confidence which every man has more or leſs, not only in his own abilities, but in his own good fortune.

To excel in any profeſſion, in which but few arrive at mediocrity, is the moſt deciſive mark of what is called genius or ſuperior talents. The public admiration which attends upon ſuch diſtinguiſhed abilities, makes always a part of their reward; a greater or ſmaller in proportion as it is higher or lower in degree. It makes a conſiderable part of that reward in the profeſſion of

physic; a still greater perhaps in that of law; in poetry and philosophy it makes almost the whole.

There are some very agreeable and beautiful talents of which the possession commands a certain sort of admiration; but of which the exercise for the sake of gain is considered, whether from reason or prejudice, as a sort of public prostitution. The pecuniary recompence, therefore, of those who exercise them in this manner, must be sufficient, not only to pay for the time, labor, and expense of acquiring the talents, but for the discredit which attends the employment of them as the means of subsistence. The exorbitant rewards of players, opera-singers, opera-dancers, &c. are founded upon those two principles; the rarity and beauty of the talents, and the discredit of employing them in this manner. It seems absurd at first sight that we should despise their persons, and yet reward their talents with the most profuse liberality. While we do the one, however, we must of necessity do the other. Should the public opinion or prejudice ever alter with regard to such occupations, their pecuniary recompence would quickly diminish. More people would apply to them, and the competition would quickly reduce the price of their labor. Such talents, though far from being common, are by no means so rare as is imagined. Many people possess them in great perfection, who disdain to make this use of them; and many more are capable of acquiring

them, if any thing could be made honorably by them.

The over-weening conceit which the greater part of men have of their own abilities, is an ancient evil remarked by the philofophers and moralifts of all ages. Their abfurd prefumption in their own good fortune, has been lefs taken notice of. It is, however, if poffible, ftill more univerfal. There is no man living who, when in tolerable health and fpirits, has not fome fhare of it. The chance of gain is by every man more or lefs over-valued, and the chance of lofs is by moft men under-valued, and by fcarce any man, who is in tolerable health and fpirits, valued more than it is worth.

That the chance of gain is naturally over-valued, we may learn from the univerfal fuccefs of lotteries. The world neither ever faw, nor ever will fee, a perfectly fair lottery; or one in which the whole gain compenfated the whole lofs; becaufe the undertaker could make nothing by it. In the ftate lotteries the tickets are really not worth the price which is paid by the original fubfcribers, and yet commonly fell in the market for twenty, thirty, and fometimes forty per cent. advance. The vain hope of gaining fome of the great prizes is the fole caufe of this demand. The fobereft people fcarce look upon it as a folly to pay a fmall fum for the chance of gaining ten or twenty thoufand pounds; though they know that even that fmall fum is perhaps twenty or thirty per cent. more than the chance is worth. In a lottery in which no prize exceeded

twenty pounds, though in other refpects it approached much nearer to a perfectly fair one than the common ftate lotteries, there would not be the fame demand for tickets. In order to have a better chance for fome of the great prizes, fome people purchafe feveral tickets, and others, fmall fhares in a ftill greater number. There is not, however, a more certain propofition in mathematics, than that the more tickets you adventure upon, the more likely you are to be a lofer. Adventure upon all the tickets in the lottery, and you lofe for certain; and the greater the number of your tickets the nearer you approach to this certainty.

That the chance of lofs is frequently undervalued, and fcarce ever valued more than it is worth, we may learn from the very moderate profit of infurers. In order to make infurance, either from fire or fea-rifk, a trade at all, the common premium muft be fufficient to compenfate the common loffes, to pay the expenfe of management, and to afford fuch a profit as might have been drawn from an equal capital employed in any common trade. The perfon who pays no more than this, evidently pays no more than the real value of the rifk, or the loweft price at which he can reafonably expect to infure it. But though many people have made a little money by infurance, very few have made a great fortune; and from this confideration alone, it feems evident enough, that the ordinary balance of profit and lofs is not more advantageous in this, than in other common trades by

which ſo many people make fortunes. Moderate, however, as the premium of inſurance commonly is, many people deſpiſe the riſk too much to care to pay it. Taking the whole kingdom at an average, nineteen houſes in twenty, or rather perhaps ninety-nine in a hundred, are not inſured from fire. Sea-riſk is more alarming to the greater part of people, and the proportion of ſhips inſured to thoſe not inſured is much greater. Many ſail, however, at all ſeaſons, and even in time of war, without any inſurance. This may ſometimes perhaps be done without any imprudence. When a great company, or even a great merchant, has twenty or thirty ſhips at ſea, they may, as it were, inſure one another. The premium ſaved upon them all, may more than compenſate ſuch loſſes as they are likely to meet with in the common courſe of chances. The neglect of inſurance upon ſhipping, however, in the ſame manner as upon houſes, is, in moſt caſes, the effect of no ſuch nice calculation, but of mere thoughtleſs raſhneſs and preſumptuous contempt of the riſk.

The contempt of riſk and the preſumptuous hope of ſucceſs, are in no period of life more active than at the age at which young people chuſe their profeſſions. How little the fear of misfortune is then capable of balancing the hope of good luck, appears ſtill more evidently in the readineſs of the common people to inliſt as ſoldiers, or to go to ſea, than in the eagerneſs of thoſe of better faſhion to enter into what are called the liberal profeſſions.

What a common ſoldier may loſe is obvious enough. Without regarding the danger, however, young volunteers never inliſt ſo readily as at the beginning of a new war; and though they have ſcarce any chance of preferment, they figure to themſelves, in their youthful fancies, a thouſand occaſions of acquiring honor and diſtinction which never occur. Theſe romantic hopes make the whole price of their blood. Their pay is leſs than that of common laborers, and in actual ſervice their fatigues are much greater.

The lottery of the ſea is not altogether ſo diſadvantageous as that of the army. The ſon of a creditable laborer or artificer may frequently go to ſea with his father's conſent; but if he inliſts as a ſoldier, it is always without it. Other people ſee ſome chance of his making ſomething by the one trade: nobody but himſelf ſees any of his making any thing by the other. The great admiral is leſs the object of public admiration than the great general, and the higheſt ſucceſs in the ſea ſervice promiſes a leſs brilliant fortune and reputation than equal ſucceſs in the land. The ſame difference runs through all the inferior degrees of preferment in both. By the rules of precedency a captain in the navy ranks with a colonel in the army: but he does not rank with him in the common eſtimation. As the great prizes in the lottery are leſs, the ſmaller ones muſt be more numerous. Common ſailors, therefore, more frequently get ſome fortune and preferment than common ſoldiers; and the hope of thoſe prizes is what principally

recommends the trade. Though their ſkill and dexterity are much ſuperior to that of almoſt any artificers, and though their whole life is one continual ſcene of hardſhip and danger, yet for all this dexterity and ſkill, for all thoſe hardſhips and dangers, while they remain in the condition of common ſailors, they receive ſcarce any other recompence but the pleaſure of exerciſing the one and of ſurmounting the other. Their wages are not greater than thoſe of common laborers at the port which regulates the price of ſeamen's wages. As they are continually going from port to port, the monthly pay of thoſe who ſail from all the different ports of Great Britain, is more nearly upon a level than that of any other workmen in thoſe different places; and the rate of the port to and from which the greateſt number ſail, that is the port of London, regulates that of all the reſt. At London the wages of the greateſt part of the different claſſes of workmen are about double thoſe of the ſame claſſes at Edinburgh. But the ſailors who ſail from the port of London ſeldom earn above three or four ſhillings a month more than thoſe who ſail from the port of Leith, and the difference is frequently not ſo great. In time of peace, and in the merchant ſervice, the London price is from a guinea to about ſeven-and-twenty ſhillings the calendar month. A common laborer in London, at the rate of nine or ten ſhillings a week, may earn in the calendar month from forty to five-and-forty ſhillings. The ſailor, indeed, over and above his pay, is ſupplied with proviſions.

Their value, however, may not perhaps always exceed the difference between his pay and that of the common laborer; and though it ſometimes ſhould, the exceſs will not be clear gain to the ſailor, becauſe he cannot ſhare it with his wife and family, whom he muſt maintain out of his wages at home.

The dangers and hair-breadth eſcapes of a life of adventures, inſtead of diſheartening young people, ſeem frequently to recommend a trade to them. A tender mother, among the inferior ranks of people, is often afraid to ſend her ſon to ſchool at a ſea-port town, leſt the ſight of the ſhips and the converſation and adventures of the ſailors ſhould entice him to go to ſea. The diſtant proſpect of hazards, from which we can hope to extricate ourſelves by courage and addreſs, is not diſagreeable to us, and does not raiſe the wages of labor in any employment. It is otherwiſe with thoſe in which courage and addreſs can be of no avail. In trades which are known to be very unwholeſome, the wages of labor are always remarkably high. Unwholeſomeneſs is a ſpecies of diſagreeableneſs, and its effects upon the wages of labor are to be ranked under that general head.

In all the different employments of ſtock, the ordinary rate of profit varies more or leſs with the certainty or uncertainty of the returns. Theſe are in general leſs uncertain in the inland than in the foreign trade, and in ſome branches of foreign trade than in others; in the trade to North America, for example, than in that to Jamaica. The ordinary rate of profit always riſes more or

lefs with the rifk. It does not, however, feem to rife in proportion to it, or fo as to compenfate it compleatly. Bankruptcies are moft frequent in the moft hazardous trades. The moft hazardous of all trades, that of a fmuggler, though when the adventure fucceeds it is likewife the moft profitable, is the infallible road to bankruptcy. The prefumptuous hope of fuccefs feems to act here as upon all other occafions, and to entice fo many adventurers into thofe hazardous trades, that their competition reduces their profit below what is fufficient to compenfate the rifk. To compenfate it compleatly, the common returns ought, over and above the ordinary profits of ftock, not only to make up for all occafional loffes, but to afford a furplus profit to the adventurers of the fame nature with the profit of infurers. But if the common returns were fufficient for all this, bankruptcies would not be more frequent in thefe than in other trades.

Of the five circumftances, therefore, which vary the wages of labor, two only affect the profits of ftock; the agreeablenefs or difagreeablenefs of the bufinefs, and the rifk or fecurity with which it is attended. In point of agreeablenefs or difagreeablenefs, there is little or no difference in the far greater part of the different employments of ftock; but a great deal in thofe of labor; and the ordinary profit of ftock, though it rifes with the rifk, does not always feem to rife in proportion to it. It fhould follow from all this, that, in the fame fociety or

neighbourhood, the average and ordinary rates of profit in the different employments of ſtock ſhould be more nearly upon a level than the pecuniary wages of the different ſorts of labor. They are ſo accordingly. The difference between the earnings of a common laborer and thoſe of a well employed lawyer or phyſician, is evidently much greater, than that, between the ordinary profits in any two different branches of trade. The apparent difference, beſides, in the profits of different trades, is generally a deception ariſing from our not always diſtinguiſhing what ought to be conſidered as wages, from what ought to be conſidered as profit.

Apothecaries profit is become a bye-word, denoting ſomething uncommonly extravagant. This great apparent profit, however, is frequently no more than the reaſonable wages of labor. The ſkill of an apothecary is a much nicer and more delicate matter than that of any artificer whatever; and the truſt which is repoſed in him is of much greater importance. He is the phyſician of the poor in all caſes, and of the rich when the diſtreſs or danger is not very great. His reward, therefore ought to be ſuitable to his ſkill and his truſt, and it ariſes generally from the price at which he ſells his drugs. But the whole drugs which the beſt employed apothecary, in a large market town, will ſell in a year, may not perhaps coſt him above thirty or forty pounds. Though he ſhould ſell them, therefore, for three or four hundred, or at a thouſand

per cent. profit, this may frequently be no more than the reaſonable wages of his labor charged, in the only way in which he can charge them, upon the price of his drugs. The greater part of the apparent profit is real wages diſguiſed in the garb of profit.

In a ſmall ſea-port town, a little grocer will make forty or fifty per cent. upon a ſtock of a ſingle hundred pounds, while a conſiderable wholeſale merchant in the ſame place will ſcarce make eight or ten per cent. upon a ſtock of ten thouſand. The trade of the grocer may be neceſſary for the conveniency of the inhabitants, and the narrowneſs of the market may not admit the employment of a larger capital in the buſineſs. The man, however, muſt not only live by his trade, but live by it ſuitably to the qualifications which it requires. Beſides poſſeſſing a little capital, he muſt be able to read, write, and account, and muſt be a tolerable judge too of, perhaps, fifty or ſixty different ſorts of goods, their prices, qualities, and the markets where they are to be had cheapeſt. He muſt have all the knowledge, in ſhort, that is neceſſary for a great merchant, which nothing hinders him from becoming but the want of a ſufficient capital. Thirty or forty pounds a year cannot be conſidered as too great a recompence for the labor of a perſon ſo accompliſhed. Deduct this from the ſeemingly great profits of his capital, and little more will remain, perhaps, than the ordinary profits of ſtock. The greater part of the apparent profit is, in this caſe too, real wages.

The difference between the apparent profit of the retail and that of the wholefale trade, is much lefs in the capital than in fmall towns and country villages. Where ten thoufand pounds can be employed in the grocery trade, the wages of the grocer's labor make but a very trifling addition to the real profits of fo great a ftock. The apparent profits of the wealthy retailer, therefore, are there more nearly upon a level with thofe of the wholefale merchant. It is upon this account that goods fold by retail are generally as cheap and frequently much cheaper in the capital than in fmall towns and country villages. Grocery goods, for example, are generally much cheaper; bread and butcher's meat frequently as cheap. It cofts no more to bring grocery goods to the great town than to the country village; but it cofts a great deal more to bring corn and cattle, as the greater part of them muft be brought from a much greater diftance. The prime coft of grocery goods, therefore, being the fame in both places, they are cheapeft where the leaft profit is charged upon them. The prime coft of bread and butcher's-meat is greater in the great town than in the country village; and though the profit is lefs, therefore they are not always cheaper there, but often equally cheap. In fuch articles as bread and butcher's meat, the fame caufe, which diminifhes apparent profit, increafes prime coft. The extent of the market, by giving employment to greater ftocks, diminifhes apparent profit; but by requiring fupplies from a greater diftance, it increafes prime coft. This

diminution of the one and increafe of the other feem, in moft cafes, nearly to counter-balance one another; which is probably the reafon that, though the prices of corn and cattle are commonly very different in different parts of the kingdom, thofe of bread and butcher's-meat are generally very nearly the fame through the greater part of it.

Though the profits of ftock both in the wholefale and retail trade are generally lefs in the capital than in fmall towns and country villages, yet great fortunes are frequently acquired from fmall beginnings in the former, and fcarce ever in the latter. In fmall towns and country villages, on account of the narrownefs of the market, trade cannot always be extended as ftock extends. In fuch places, therefore, though the rate of a particular perfon's profits may be very high, the fum or amount of them can never be very great, nor confequently that of his annual accumulation. In great towns, on the contrary, trade can be extended as ftock increafes, and the credit of a frugal and thriving man increafes much fafter than his ftock. His trade is extended in proportion to the amount of both, and the fum or amount of his profits is in proportion to the extent of his trade, and his annual accumulation in proportion to the amount of his profits. It feldom happens, however, that great fortunes are made even in great towns by any one regular, eftablifhed, and well-known branch of bufinefs, but in confequence of a long life of induftry, frugality, and attention. Sudden fortunes, indeed, are fome-

times made in ſuch places by what is called the trade of ſpeculation. The ſpeculative merchant exerciſes no one regular, eſtabliſhed, or well-known branch of buſineſs. He is a corn merchant this year, and a wine merchant the next, and a ſugar, tobacco, or tea merchant the year after. He enters into every trade when he foreſees that it is likely to be more than commonly profitable, and he quits it when he foreſees that its profits are likely to return to the level of other trades. His profits and loſſes, therefore, can bear no regular proportion to thoſe of any one eſtabliſhed and well-known branch of buſineſs. A bold adventurer may ſometimes acquire a conſiderable fortune by two or three ſucceſsful ſpeculations; but is juſt as likely to loſe one by two or three unſucceſsful ones. This trade can be carried on no where but in great towns. It is only in places of the moſt extenſive commerce and correſpondence that the intelligence requiſite for it can be had.

The five circumſtances above-mentioned, though they occaſion conſiderable inequalities in the wages of labor and profits of ſtock, occaſion none in the whole of the advantages and diſadvantages, real or imaginary, of the different employments of either The nature of thoſe circumſtances is ſuch, that they make up for a ſmall pecuniary gain in ſome, and counter-balance a great one in others.

In order, however, that this equality may take place in the whole of their advantages or diſadvantages, three things are requiſite even

where there is the moſt perfect freedom. Firſt, the employments muſt be well known and long eſtabliſhed in the neighbourhood; ſecondly, they muſt be in their ordinary, or what may be called their natural ſtate; and, thirdly, they muſt be the ſole or principal employments of thoſe who occupy them.

Firſt, this equality can take place only in thoſe employments which are well known, and have been long eſtabliſhed in the neighbourhood.

Where all other circumſtances are equal, wages are generally higher in new than in old trades. When a projector attempts to eſtabliſh a new manufacture, he muſt at firſt entice his workmen from other employments by higher wages than they can either earn in their own trades, or than the nature of his work would otherwiſe require, and a conſiderable time muſt paſs away before he can venture to reduce them to the common level. Manufactures for which the demand ariſes altogether from faſhion and fancy, are continually changing, and ſeldom laſt long enough to be conſidered as old eſtabliſhed manufactures. Thoſe, on the contrary, for which the demand ariſes chiefly from uſe or neceſſity, are leſs liable to change, and the ſame form or fabric may continue in demand for whole centuries together. The wages of labor therefore, are likely to be higher in manufactures of the former, than in thoſe of the latter kind. Birmingham deals chiefly in manufactures of the former kind; Sheffield in thoſe of the latter;

and

and the wages of labor in thofe two different places, are faid to be fuitable to this difference in the nature of their manufactures.

The eftablifhment of any new manufacture, of any new branch of commerce, or of any new practice in agriculture, is always a fpeculation, from which the projector promifes himfelf extraordinary profits. Thefe profits fometimes are very great and fometimes, more frequently, perhaps, they are quite otherwife; but in general they bear no regular proportion to thofe of other old trades in the neighbourhood. If the project fucceeds, they are commonly at firft very high. When the trade or practice becomes thoroughly eftablifhed and well known, the competition reduces them to the level of other trades.

Secondly, This equality in the whole of the advantages and difadvantages of the different employments of labor and ftock, can take place only in the ordinary, or what may be called the natural ftate of thofe employments.

The demand for almoft every different fpecies of labor, is fometimes greater and fometimes lefs than ufual. In the one cafe the advantages of the employment rife above, in the other they fall below the common level. The demand for country labor is greater at hay-time and harveft, than during the greater part of the year; and wages rife with the demand. In time of war, when forty or fifty thoufand failors are forced from the merchant fervice into that of the king, the demand for failors to merchant fhips neceffarily rifes with their fcarcity, and their wages

upon ſuch occaſions commonly riſe from a guinea and ſeven-and-twenty ſhillings, to forty ſhillings and three pounds a month. In a decaying manufacture, on the contrary, many workmen, rather than quit their old trade, are contented with ſmaller wages than would otherwiſe be ſuitable to the nature of their employment.

The profits of ſtock vary with the price of the commodities in which it is employed. As the price of any commodity riſes above the ordinary or average rate, the profits of at leaſt ſome part of the ſtock that is employed in bringing it to market, riſe above their proper level, and as it falls they ſink below it. All commodities are more or leſs liable to variations of price, but ſome are much more ſo than others. In all commodities which are produced by human induſtry, the quantity of induſtry annually employed is neceſſarily regulated by the annual demand, in ſuch a manner that the average annual produce may, as nearly as poſſible, be equal to the average annual conſumption. In ſome employments, it has already been obſerved, the ſame quantity of induſtry will always produce the ſame, or very nearly the ſame quantity of commodities. In the linen or woollen manufactures, for example, the ſame number of hands will annually work up very nearly the ſame quantity of linen and woollen cloth. The variations in the market price of ſuch commodities, therefore, can ariſe only from ſome accidental variation in the demand. A public mourning raiſes the price of black cloth. But as the demand

for moſt ſorts of plain linen and woollen cloth is pretty uniform, ſo is likewiſe the price. But there are other employments in which the ſame quantity of induſtry will not always produce the ſame quantity of commodities. The ſame quantity of induſtry, for example, will in different years, produce very different quantities of corn, wine, hops, ſugar, tobacco, &c. The price of ſuch commodities, therefore, varies not only with the variations of demand, but with the much greater and more frequent variations of quantity, and is conſequently extremely fluctuating. But the profit of ſome of the dealers muſt neceſſarily fluctuate with the price of the commodities. The operations of the ſpeculative merchant are principally employed about ſuch commodities. He endeavours to buy them up when he foreſees that their price is likely to riſe, and to ſell them when it is likely to fall.

Thirdly, This equality in the whole of the advantages and diſadvantages of the different employments of labor and ſtock, can take place only in ſuch as are the ſole or principal employments of thoſe who occupy them.

When a perſon derives his ſubſiſtence from one employment, which does not occupy the greater part of his time; in the intervals of his leiſure he is often willing to work at another for leſs wages than would otherwiſe ſuit the nature of the employment.

There ſtill ſubſiſts in many parts of Scotland a ſet of people called Cotters or Cottagers, though they were more frequent ſome years ago

than they are now. They are a ſort of out-ſervants of the landlords and farmers. The uſual reward which they receive from their maſters is a houſe, a ſmall garden for pot-herbs, as much graſs as will feed a cow, and, perhaps, an acre or two of bad arable land. When their maſter has occaſion for their labor, he gives them, beſides, two pecks of oatmeal a week, worth about ſixteen pence ſterling. During a great part of the year he has little or no occaſion for their labor, and the cultivation of their own little poſſeſſion is not ſufficient to occupy the time which is left at their own diſpoſal. When ſuch occupiers were more numerous than they are at preſent, they are ſaid to have been willing to give their ſpare time for a very ſmall recompence to any body, and to have wrought for leſs wages than other laborers. In ancient times they ſeem to have been common all over Europe. In countries ill cultivated and worſe inhabited, the greater part of landlords and farmers could not otherwiſe provide themſelves with the extraordinary number of hands, which country labor requires at certain ſeaſons. The daily or weekly recompence which ſuch laborers occaſionally received from their maſters, was evidently not the whole price of their labor. Their ſmall tenement made a conſiderable part of it. This daily or weekly recompence, however, ſeems to have been conſidered as the whole of it, by many writers who have collected the prices of labor and proviſions in ancient times, and who have taken pleaſure in repreſenting both as wonderfully low.

The produce of ſuch labor comes frequently cheaper to market than would otherwiſe be ſuitable to its nature. Stockings in many parts of Scotland are knit much cheaper than they can any-where be wrought upon the loom. They are the work of ſervants and laborers, who derive the principal part of their ſubſiſtence from ſome other employment. More than a thouſand pair of Shetland ſtockings are annually imported into Leith, of which the price is from five pence to ſeven pence a pair. At Learwick, the ſmall capital of the Shetland iſlands ten pence a day, I have been aſſured, is a common price of common labor. In the ſame iſlands they knit worſted ſtockings to the value of a guinea a pair and upwards.

The ſpinning of linen yarn is carried on in Scotland nearly in the ſame way as the knitting of ſtockings, by ſervants, who are chiefly hired for other purpoſes. They earn but a very ſcanty ſubſiſtence, who endeavour to get their whole livelihood by either of thoſe trades. In moſt parts of Scotland ſhe is a good ſpinner who can earn twenty pence a week.

In opulent countries the market is generally ſo extenſive, that any one trade is ſufficient to employ the whole labor and ſtock of thoſe who occupy it. Inſtances of people's living by one employment, and at the ſame time deriving ſome little advantage from another, occur chiefly in poor countries. The following inſtance, however, of ſomething of the ſame kind is to be found in the capital of a very rich one. There

is no city in Europe, I believe, in which houſe-rent is dearer than in London, and yet I know no capital in which a furniſhed apartment can be hired ſo cheap. Lodging is not only much cheaper in London than in Paris; it is much cheaper than in Edinburgh of the ſame degree of goodneſs; and what may ſeem extraordinary, the dearneſs of houſe-rent is the cauſe of the cheapneſs of lodging. The dearneſs of houſe-rent in London ariſes, not only from thoſe cauſes which render it dear in all great capitals, the dearneſs of labor, the dearneſs of all the materials of building, which muſt generally be brought from a great diſtance, and above all the dearneſs of ground-rent, every landlord acting the part of a monopoliſt, and frequently exacting a higher rent for a ſingle acre of bad land in a town, than can be had for a hundred of the beſt in the country; but it ariſes in part from the peculiar manners and cuſtoms of the people, which oblige every maſter of a family to hire a whole houſe from top to bottom. A dwelling-houſe in England means every thing that is contained under the ſame roof. In France, Scotland, and many other parts of Europe, it frequently means no more than a ſingle ſtory. A tradeſman in London is obliged to hire a whole houſe in that part of the town where his cuſtomers live. His ſhop is upon the ground-floor, and he and his family ſleep in the garret; and he endeavours to pay a part of his houſe-rent by letting the two middle ſtories to lodgers. He expects to maintain his family by his trade, and

not by his lodgers. Whereas, at Paris and Edinburgh, the people who let lodgings, have commonly no other means of ſubſiſtence; and the price of the lodging muſt pay, not only the rent of the houſe, but the whole expenſe of the family.

PART II.

Inequalities occaſioned by the Policy of Europe.

SUCH are the inequalities in the whole of the advantages and diſadvantages of the different employments of labor and ſtock, which the defect of any of the three requiſites above-mentioned muſt occaſion, even where there is the moſt perfect liberty. But the policy of Europe, by not leaving things at perfect liberty, occaſions other inequalities of much greater importance.

It does this chiefly in the three following ways. Firſt, by reſtraining the competition in ſome employments to a ſmaller number than would otherwiſe be diſpoſed to enter into them; ſecondly, by increaſing it in others beyond what it naturally would be; and, thirdly, by obſtructing the free circulation of labor and ſtock, both from employment to employment and from place to place.

Firſt, The policy of Europe occaſions a very important inequality in the whole of the advantages and diſadvantages of the different employments of labor and ſtock, by reſtraining the

competition in ſome employments to a ſmaller number than might otherwiſe be diſpoſed to enter into them.

The excluſive privileges of corporations are the principal means it makes uſe of for this purpoſe.

The excluſive privilege of an incorporated trade neceſſarily reſtrains the competition, in the town where it is eſtabliſhed, to thoſe who are free of the trade. To have ſerved an apprenticeſhip in the town, under a maſter properly qualified, is commonly the neceſſary requiſite for obtaining this freedom. The bye-laws of the corporation regulate ſometimes the number of apprentices which any maſter is allowed to have, and almoſt always the number of years which each apprentice is obliged to ſerve. The intention of both regulations is to reſtrain the competition to a much ſmaller number than might otherwiſe be diſpoſed to enter into the trade. The limitation of the number of apprentices reſtrains it directly. A long term of apprenticeſhip reſtrains it more indirectly, but as effectually, by increaſing the expenſe of education.

In Sheffield no maſter cutler can have more than one apprentice at a time, by a bye-law of the corporation. In Norfolk and Norwich no maſter weaver can have more than two apprentices, under pain of forfeiting five pounds a month to the king. No maſter hatter can have more than two apprentices any-where in England, or in the Engliſh plantations under pain of forfeiting five pounds a month, half to the

king, and half to him who ſhall ſue in any court of record. Both theſe regulations, though they have been confirmed by a public law of the kingdom, are evidently dictated by the ſame corporation ſpirit which enacted the bye-law of Sheffield. The ſilk weavers in London had ſcarce been incorporated a year when they enacted a bye-law, reſtraining any maſter from having more than two apprentices at a time. It required a particular act of parliament to reſcind this bye-law.

Seven years ſeem anciently to have been, all over Europe, the uſual term eſtabliſhed for the duration of apprenticeſhips in the greater part of incorporated trades. All ſuch incorporations were anciently called univerſities; which indeed is the proper Latin name for any incorporation whatever. The univerſity of ſmiths, the univerſity of taylors, &c. are expreſſions which we commonly meet with in the old charters of ancient towns. When thoſe particular incorporations which are now peculiarly called univerſities were firſt eſtabliſhed, the term of years which it was neceſſary to ſtudy in order to obtain the degree of maſter of arts, appears evidently to have been copied from the term of apprenticeſhip in common trades, of which the incorporations were much more ancient. As to have wrought ſeven years under a maſter properly qualified, was neceſſary, in order to entitle any perſon to become a maſter, and to have himſelf apprentices in a common trade; ſo to have ſtudied ſeven years under a maſter properly

qualified, was neceſſary to entitle him to become a maſter, teacher, or doctor (words anciently ſynonymous) in the liberal arts, and to have ſcholars or apprentices (words likewiſe originally ſynonymous) to ſtudy under him.

By the 5th of Elizabeth, commonly called the Statute of Apprenticeſhip, it was enacted, that no perſon ſhould for the future exerciſe any trade, craft, or myſtery at that time exerciſed in England, unleſs he had previouſly ſerved to it an apprenticeſhip of ſeven years at leaſt; and what before had been the bye-law of many particular corporations, became in England the general and public law of all trades carried on in market towns. For though the words of the ſtatute are very general, and ſeem plainly to include the whole kingdom, by interpretation its operation has been limited to market towns, it having been held that in country villages a perſon may exerciſe ſeveral different trades, though he has not ſerved a ſeven years apprenticeſhip to each, they being neceſſary for the conveniency of the inhabitants, and the number of people frequently not being ſufficient to ſupply each with a particular ſet of hands.

By a ſtrict interpretation of the words too the operation of this ſtatute has been limited to thoſe trades which were eſtabliſhed in England before the 5th of Elizabeth, and has never been extended to ſuch as have been introduced ſince that time. This limitation has given occaſion to ſeveral diſtinctions which, conſidered as rules of police, appear as fooliſh as can well be imagined.

It has been adjudged, for example, that a coach-maker can neither himſelf make nor employ journeymen to make his coach-wheels, but muſt buy them of a maſter wheel-wright; this latter trade having been exerciſed in England before the 5th of Elizabeth. But a wheel-wright, though he has never ſerved an apprenticeſhip to a coach-maker, may either himſelf make or employ journeymen to make coaches; the trade of a coach-maker not being within the ſtatute, becauſe not exerciſed in England at the time when it was made. The manufactures of Mancheſter, Birmingham, and Wolverhampton, are many of them, upon this account, not within the ſtatute; not having been exerciſed in England before the 5th of Elizabeth.

In France, the duration of apprenticeſhips is different in different towns and in different trades. In Paris, five years is the term required in a great number; but before any perſon can be qualified to exerciſe the trade as a maſter, he muſt, in many of them, ſerve five years more as a journeyman. During this latter term he is called the companion of his maſter, and the term itſelf is called his companionſhip.

In Scotland there is no general law which regulates univerſally the duration of apprenticeſhips. The term is different in different corporations. Where it is long, a part of it may generally be redeemed by paying a ſmall fine. In moſt towns too a very ſmall fine is ſufficient to purchaſe the freedom of any corporation. The weavers of linen and hempen cloth, the principal

manufactures of the country, as well as all other artificers subservient to them, wheel-makers, reel-makers, &c. may exercise their trades in any town corporate without paying any fine. In all towns corporate all persons are free to sell butcher's-meat upon any lawful day of the week. Three years is in Scotland a common term of apprenticeship, even in some very nice trades; and in general I know of no country in Europe in which corporation laws are so little oppressive.

The property which every man has in his own labor, as it is the original foundation of all other property, so it is the most sacred and inviolable. The patrimony of a poor man lies in the strength and dexterity of his hands; and to hinder him from employing this strength and dexterity in what manner he thinks proper without injury to his neighbour, is a plain violation of this most sacred property. It is a manifest encroachment upon the just liberty both of the workman, and of those who might be disposed to employ him. As it hinders the one from working at what he thinks proper, so it hinders the others from employing whom they think proper. To judge whether he is fit to be employed, may surely be trusted to the discretion of the employers whose interest it so much concerns. The affected anxiety of the law-giver lest they should employ an improper person, is evidently as impertinent as it is oppressive.

The institution of long apprenticeships can give no security that insufficient workmanship shall not frequently be exposed to public sale. When this

is done it is generally the effect of fraud, and not of inability; and the longest apprenticeship can give no security against fraud. Quite different regulations are necessary to prevent this abuse. The sterling mark upon plate, and the stamps upon linen and woollen cloth, give the purchaser much greater security than any statute of apprenticeship. He generally looks at these, but never thinks it worth while to inquire whether the workman had served a seven years apprenticeship.

The institution of long apprenticeships has no tendency to form young people to industry. A journeyman who works by the piece is likely to be industrious, because he derives a benefit from every exertion of his industry. An apprentice is likely to be idle, and almost always is so, because he has no immediate interest to be otherwise. In the inferior employments, the sweets of labor consist altogether in the recompence of labor. They who are soonest in a condition to enjoy the sweets of it, are likely soonest to conceive a relish for it, and to acquire the early habit of industry. A young man naturally conceives an aversion to labor, when for a long time he receives no benefit from it. The boys who are put out apprentices from public charities are generally bound for more than the usual number of years and they generally turn out very idle and worthless.

Apprenticeships were altogether unknown to the ancients. The reciprocal duties of master and apprentice make a considerable article in every

modern code. The Roman law is perfectly ſilent with regard to them. I know no Greek or Latin word (I might venture, I believe, to aſſert that there is none) which expreſſes the idea we now annex to the word Apprentice, a ſervant bound to work at a particular trade for the benefit of a maſter, during a term of years upon condition that the maſter ſhall teach him that trade.

Long apprenticeſhips are altogether unneceſſary. The arts, which are much ſuperior to common trades, ſuch as thoſe of making clocks and watches, contain no ſuch myſtery as to require a long courſe of inſtruction. The firſt invention of ſuch beautiful machines, indeed, and even that of ſome of the inſtruments employed in making them, muſt, no doubt, have been the work of deep thought and long time, and may juſtly be conſidered as among the happieſt efforts of human ingenuity. But when both have been fairly invented and are well underſtood, to explain to any young man, in the compleateſt manner, how to apply the inſtruments and how to conſtruct the machines, cannot well require more than the leſſons of a few weeks: perhaps thoſe of a few days might be ſufficient. In the common mechanic trades, thoſe of a few days might certainly be ſufficient. The dexterity of hand, indeed, even in common trades, cannot be acquired without much practice and experience. But a young man would practiſe with much more diligence and attention if from the beginning he wrought as a journeyman,

being paid in proportion to the little work which he could execute, and paying in his turn for the materials which he might ſometimes ſpoil through awkwardneſs and inexperience. His education would generally in this way be more effectual, and always leſs tedious and expenſive. The maſter, indeed, would be a loſer. He would loſe all the wages of the apprentice, which he now ſaves, for ſeven years together. In the end, perhaps, the apprentice himſelf would be a loſer. In a trade ſo eaſily learnt he would have more competitors, and his wages, when he came to be a compleat workman, would be much leſs than at preſent. The ſame increaſe of competition would reduce the profits of the maſters as well as the wages of the workmen. The trades, the crafts, the myſteries, would all be loſers. But the public would be a gainer, the work of all artificers coming in this way much cheaper to market.

It is to prevent this reduction of price, and conſequently of wages and profit, by reſtraining that free competition which would moſt certainly occaſion it, that all corporations, and the greater part of corporation laws, have been eſtabliſhed. In order to erect a corporation, no other authority in ancient times was requiſite in many parts of Europe, but that of the town corporate in which it was eſtabliſhed. In England, indeed, a charter from the king was likewiſe neceſſary. But this prerogative of the crown ſeems to have been reſerved rather for extorting money from the ſubject, than for the defence of the common

liberty againſt ſuch oppreſſive monopolies. Upon paying a fine to the king, the charter ſeems generally to have been readily granted; and when any particular claſs of artificers or traders thought proper to act as a corporation without a charter, ſuch adulterine guilds, as they were called, were not always disfranchiſed upon that account, but obliged to fine annually to the king for permiſſion to exerciſe their uſurped privileges *. The immediate inſpection of all corporations, and of the bye-laws which they might think proper to enact for their own government, belonged to the town corporate in which they were eſtabliſhed; and whatever diſcipline was exerciſed over them, proceeded commonly, not from the king, but from that greater incorporation of which thoſe ſubordinate ones were only parts or members.

The government of towns corporate was altogether in the hands of traders and artificers; and it was the manifeſt intereſt of every particular claſs of them, to prevent the market from being over-ſtocked, as they commonly expreſs it, with their own particular ſpecies of induſtry; which is in reality to keep it always under-ſtocked. Each claſs was eager to eſtabliſh regulations proper for this purpoſe, and, provided it was allowed to do ſo, was willing to conſent that every other claſs ſhould do the ſame. In conſequence of ſuch regulations, indeed, each claſs was obliged to buy the goods they had occaſion for

* See Madox Firma Burgi, p. 26, &c.

from

from every other within the town, ſomewhat dearer than they otherwiſe might have done. But in recompence, they were enabled to ſell their own juſt as much dearer; ſo that ſo far it was as broad as long, as they ſay; and in the dealings of the different claſſes within the town with one another, none of them were loſers by theſe regulations. But in their dealings with the country they were all great gainers; and in theſe latter dealings conſiſts the whole trade which ſupports and enriches every town.

Every town draws its whole ſubſiſtence, and all the materials of its induſtry, from the country. It pays for theſe chiefly in two ways: firſt, by ſending back to the country a part of thoſe materials wrought up and manufactured; in which caſe their price is augmented by the wages of the workmen, and the profits of their maſters or immediate employers: ſecondly, by ſending to it a part both of the rude and manufactured produce, either of other countries, or of diſtant parts of the ſame country, imported into the town; in which caſe too the original price of thoſe goods is augmented by the wages of the carriers or ſailors, and by the profits of the merchants who employ them. In what is gained upon the firſt of thoſe two branches of commerce, conſiſts the advantage which the town makes by its manufactures; in what is gained upon the ſecond, the advantage of its inland and foreign trade. The wages of the workmen, and the profits of their different employers, make up the whole of what is gained upon both. Whatever

regulations, therefore, tend to increafe thofe wages and profits beyond what they otherwife would be, tend to enable the town to purchafe, with a fmaller quantity of its labor, the produce of a greater quantity of the labor of the country. They give the traders and artificers in the town an advantage over the landlords, farmers, and laborers in the country, and break down that natural equality which would otherwife take place in the commerce which is carried on between them. The whole annual produce of the labor of the fociety is annually divided between thofe two different fets of people. By means of thofe regulations a greater fhare of it is given to the inhabitants of the town than would otherwife fall to them; and a lefs to thofe of the country.

The price which the town really pays for the provifions and materials annually imported into it, is the quantity of manufactures and other goods annually exported from it. The dearer the latter are fold, the cheaper the former are bought. The induftry of the town becomes more, and that of the country lefs advantageous.

That the induftry which is carried on in towns is, every-where in Europe, more advantageous than that which is carried on in the country, without entering into any very nice computations, we may fatisfy ourfelves by one very fimple and obvious obfervation. In every country of Europe we find, at leaft, a hundred people who have acquired great fortunes from fmall beginnings by trade and manufactures, the

induftry which properly belongs to towns, for one who has done fo by that which properly belongs to the country, the raifing of rude produce by the improvement and cultivation of land. Induftry, therefore, muft be better rewarded, the wages of labor and the profits of ftock muft evidently be greater in the one fituation than in the other. But ftock and labor naturally feek the moft advantageous employment. They naturally, therefore, refort as much as they can to the town, and defert the country.

The inhabitants of a town, being collected into one place, can eafily combine together. The moft infignificant trades carried on in towns have accordingly, in fome place or other, been incorporated; and even where they have never been incorporated, yet the corporation fpirit, the jealoufy of ftrangers, the averfion to take apprentices, or to communicate the fecret of their trade, generally prevail in them, and often teach them, by voluntary affociations and agreements, to prevent that free competition which they cannot prohibit by bye-laws. The trades which employ but a fmall number of hands, run moft eafily into fuch combinations. Half a dozen wool-combers, perhaps, are neceffary to keep a thoufand fpinners and weavers at work. By combining not to take apprentices they can not only engrofs the employment, but reduce the whole manufacture into a fort of flavery to themfelves, and raife the price of their labor much above what is due to the nature of their work.

The inhabitants of the country, difperfed in diftant places, cannot eafily combine together. They have not only never been incorporated, but the corporation fpirit never has prevailed among them. No apprenticefhip has ever been thought neceffary to qualify for hufbandry, the great trade of the country. After what are called the fine arts and the liberal profeffions, however, there is perhaps no trade which requires fo great a variety of knowledge and experience. The innumerable volumes which have been written upon it in all languages, may fatisfy us, that among the wifeft and moft learned nations, it has never been regarded as a matter very eafily underftood. And from all thofe volumes we fhall in vain attempt to collect that knowledge of its various and complicated operations, which is commonly poffeffed even by the common farmer; how contemptuoufly foever the very contemptible authors of fome of them may fometimes affect to fpeak of him. There is fcarce any common mechanic trade, on the contrary, of which all the operations may not be as compleatly and diftinctly explained in a pamphlet of a very few pages, as it is poffible for words illuftrated by figures to explain them. In the hiftory of the arts, now publifhing by the French academy of fciences, feveral of them are actually explained in this manner. The direction of operations, befides, which muft be varied with every change of the weather, as well as with many other accidents, requires much more judgment and difcretion, than that of

thofe which are always the fame or very nearly the fame.

Not only the art of the farmer, the general direction of the operations of hufbandry, but many inferior branches of country labor require much more fkill and experience than the greater part of mechanic trades. The man who works upon brafs and iron, works with inftruments and upon materials of which the temper is always the fame, or very nearly the fame. But the man who ploughs the ground with a team of horfes or oxen, works with inftruments of which the health, ftrength, and temper, are very different upon different occafions. The condition of the materials which he works upon too is as variable as that of the inftruments which he works with, and both require to be managed with much judgment and difcretion. The common ploughman, though generally regarded as the pattern of ftupidity and ignorance, is feldom defective in this judgment and difcretion. He is lefs accuftomed, indeed, to focial intercourfe than the mechanic who lives in a town. His voice and language are more uncouth and more difficult to be underftood by thofe who are not ufed to them. His underftanding, however, being accuftomed to confider a greater variety of objects, is generally much fuperior to that of the other, whofe whole attention from morning till night is commonly occupied in performing one or two very fimple operations. How much the lower ranks of people in the country are really fuperior to thofe of the town, is well known to every man whom either

bufinefs or curiofity has led to converfe much with both. In China and Indoftan accordingly both the rank and the wages of country laborers are faid to be fuperior to thofe of the greater part of artificers and manufacturers. They would probably be fo every where, if corporation laws and the corporation fpirit did not prevent it.

The fuperiority which the induftry of the towns has every where in Europe over that of the country, is not altogether owing to corporations and corporation laws. It is fupported by many other regulations. The high duties upon foreign manufactures and upon all goods imported by alien merchants, all tend to the fame purpofe. Corporation laws enable the inhabitants of towns to raife their prices, without fearing to be under-fold by the free competition of their own countrymen. Thofe other regulations fecure them equally againft that of foreigners. The enhancement of price occafioned by both is every-where finally paid by the landlords, farmers, and laborers of the country, who have feldom oppofed the eftablifhment of fuch monopolies. They have commonly neither inclination nor fitnefs to enter into combinations; and the clamor and fophiftry of merchants and manufacturers eafily perfuade them that the private intereft of a part, and of a fubordinate part of the fociety, is the general intereft of the whole.

In Great Britain the fuperiority of the induftry of the towns over that of the country, feems to have been greater formerly than in the prefent times. The wages of country labor approach nearer

to thofe of manufacturing labor, and the profits of ftock employed in agriculture to thofe of trading and manufacturing ftock, than they are faid to have done in the laft century, or in the beginning of the prefent. This change may be regarded as the neceffary, though very late confequence of the extraordinary encouragement given to the induftry of the towns. The ftock accumulated in them comes in time to be fo great, that it can no longer be employed with the ancient profit in that fpecies of induftry which is peculiar to them. That induftry has its limits like every other; and the increafe of ftock, by increafing the competition, neceffarily reduces the profit. The lowering of profit in the town forces out ftock to the country, where, by creating a new demand for country labor, it neceffarily raifes its wages. It then fpreads itfelf, if I may fay fo, over the face of the land, and by being employed in agriculture is in part reftored to the country, at the expenfe of which, in a great meafure, it had originally been accumulated in the town. That every where in Europe the greateft improvements of the country have been owing to fuch overflowings of the ftock originally accumulated in the towns, I fhall endeavour to fhow hereafter; and at the fame time to demonftrate, that though fome countries have by this courfe attained to a confiderable degree of opulence, it is in itfelf neceffarily flow, uncertain, liable to be difturbed and interrupted by innumerable accidents, and in every refpect contrary to the order of nature

and of reafon. The interefts, prejudices, laws and cuftoms which have given occafion to it, I fhall endeavour to explain as fully and diftinctly as I can in the third and fourth books of this inquiry.

People of the fame trade feldom meet together, even for merriment and diverfion, but the converfation ends in a confpiracy againft the public, or in fome contrivance to raife prices. It is impoffible indeed to prevent fuch meetings, by any law which either could be executed, or would be confiftent with liberty and juftice. But though the law cannot hinder people of the fame trade from fometimes affembling together, it ought to do nothing to facilitate fuch affemblies; much lefs to render them neceffary.

A regulation which obliges all thofe of the fame trade in a particular town to enter their names and places of abode in a public regifter, facilitates fuch affemblies. It connects individuals who might never otherwife be known to one another, and gives every man of the trade a direction where to find every other man of it.

A regulation which enables thofe of the fame trade to tax themfelves in order to provide for their poor, their fick, their widows and orphans, by giving them a common intereft to manage, render fuch affemblies neceffary.

An incorporation not only renders them neceffary, but makes the act of the majority binding upon the whole. In a free trade an effectual combination cannot be eftablifhed but by the unanimous confent of every fingle trader, and it

cannot laſt longer than every ſingle trader continues of the ſame mind. The majority of a corporation can enact a bye-law with proper penalties, which will limit the competition more effectually and more durably than any voluntary combination whatever.

The pretence that corporations are neceſſary for the better government of the trade, is without any foundation. The real and effectual diſcipline which is exerciſed over a workman, is not that of his corporation, but that of his cuſtomers. It is the fear of loſing their employment which reſtrains his frauds aud corrects his negligence. An excluſive corporation neceſſarily weakens the force of this diſcipline. A particular ſet of workmen muſt then be employed, let them behave well or ill. It is upon this account that in many large incorporated towns no tolerable workmen are to be found, even in ſome of the moſt neceſſary trades. If you would have your work tolerably executed, it muſt be done in the ſuburbs, where the workmen having no excluſive privilege, have nothing but their character to depend upon, and you muſt then ſmuggle it into the town as well as you can.

It is in this manner that the policy of Europe, by reſtraining the competition in ſome employments to a ſmaller number than would otherwiſe be diſpoſed to enter into them, occaſions a very important inequality in the whole of the advantages and diſadvantages of the different employments of labor and ſtock.

Secondly, The policy of Europe, by increafing the competition in fome employments beyond what it naturally would be, occafions another inequality of an oppofite kind in the whole of the advantages and difadvantages of the different employments of labor and ftock.

It has been confidered as of fo much importance that a proper number of young people fhould be educated for certain profeffions, that, fometimes the public, and fometimes the piety of private founders have eftablifhed many penfions, fcholarfhips, exhibitions, burfaries, &c. for this purpofe, which draw many more people into thofe trades than could otherwife pretend to follow them. In all chriftian countries, I believe, the education of the greater part of churchmen is paid for in this manner. Very few of them are educated altogether at their own expenfe. The long, tedious and expenfive education, therefore, of thofe who are, will not always procure them a fuitable reward, the church being crowded with people who, in order to get employment, are willing to accept of a much fmaller recompence than what fuch an education would otherwife have entitled them to; and in this manner the competition of the poor takes away the reward of the rich. It would be indecent, no doubt, to compare either a curate or chaplain with a journeyman in any common trade. The pay of a curate or chaplain, however, may very properly be confidered as of the fame nature with the wages of a journeyman. They are, all three, paid for their work according to the contract

which they may happen to make with their refpective fuperiors. Till after the middle of the fourteenth century, five marks, containing about as much filver as ten pounds of our prefent money, was in England the ufual pay of a curate or a ftipendiary parifh prieft, as we find it regulated by the decrees of feveral different national councils. At the fame period four pence a day, containing the fame quantity of filver as a fhilling of our prefent money, was declared to be the pay of a mafter mafon, and three pence a day, equal to nine pence of our prefent money, that of a journeyman mafon *. The wages of both thefe laborers, therefore, fuppofing them to have been conftantly employed, were much fuperior to thofe of the curate. The wages of the mafter mafon, fuppofing him to have been without employment one third of the year, would have fully equalled them. By the 12th of Queen Anne, c. 12, it is declared, "That whereas for want of fufficient maintenance "and encouragement to curates, the cures have "in feveral places been meanly fupplied, the bifhop "is, therefore, empowered to appoint by writing "under his hand and feal a fufficient certain "ftipend or allowance, not exceeding fifty and "not lefs than twenty pounds a year." Forty pounds a year is reckoned at prefent very good pay for a curate, and notwithftanding this act of parliament, there are many curacies under twenty pounds a year. There are

* See the Statute of laborers, 25 Ed. III.

journeymen ſhoe-makers in London who earn forty pounds a year, and there is ſcarce an induſtrious workman of any kind in that metropolis who does not earn more than twenty. This laſt ſum indeed does not exceed what is frequently earned by common laborers in many country pariſhes. Whenever the law has attempted to regulate the wages of workmen, it has always been rather to lower them than to raiſe them. But the law has upon many occaſions attempted to raiſe the wages of curates, and for the dignity of the church, to oblige the rectors of pariſhes to give them more than the wretched maintenance which they themſelves might be willing to accept of. And in both caſes the law ſeems to have been equally ineffectual, and has never either been able to raiſe the wages of curates, or to ſink thoſe of laborers to the degree that was intended; becauſe it has never been able to hinder either the one from being willing to accept of leſs than the legal allowance, on account of the indigence of their ſituation and the multitude of their competitors; or the other from receiving more, on account of the contrary competition of thoſe who expected to derive either profit or pleaſure from employing them.

The great benefices and other eccleſiaſtical dignities ſupport the honor of the church, notwithſtanding the mean circumſtances of ſome of its inferior members. The reſpect paid to the profeſſion too makes ſome compenſation even to them for the meanneſs of their pecuniary recompence.

In England, and in all Roman Catholic countries, the lottery of the church is in reality much more advantageous than is neceſſary. The example of the churches of Scotland, of Geneva, and of ſeveral other proteſtant churches, may ſatisfy us that in ſo creditable a profeſſion, in which education is ſo eaſily procured, the hopes of much more moderate benefices will draw a ſufficient number of learned, decent, and reſpectable men into holy orders.

In profeſſions in which there are no benefices, ſuch as law and phyſic, if an equal proportion of people were educated at the public expenſe, the competition would ſoon be ſo great, as to ſink very much their pecuniary reward. It might then not be worth any man's while to educate his ſon to either of thoſe profeſſions at his own expenſe. They would be entirely abandoned to ſuch as had been educated by thoſe public charities, whoſe numbers and neceſſities would oblige them in general to content themſelves with a very miſerable recompence, to the entire degradation of the now reſpectable profeſſions of law and phyſic.

That unproſperous race of men commonly called men of letters, are pretty much in the ſituation which lawyers and phyſicians probably would be in upon the foregoing ſuppoſition. In every part of Europe the greater part of them have been educated for the church, but have been hindered by different reaſons from entering into holy orders. They have generally, therefore, been educated at the public expenſe, and

their numbers are every-where ſo great as commonly to reduce the price of their labor to a very paultry recompence.

Before the invention of the art of printing, the only employment by which a man of letters could make any thing by his talents, was that of a public or private teacher, or by communicating to other people the curious and uſeful knowledge which he had acquired himſelf: And this is ſtill ſurely a more honorable, a more uſeful, and in general even a more profitable employment than that other of writing for a bookſeller, to which the art of printing has given occaſion. The time and ſtudy, the genius, knowledge, and application requiſite to qualify an eminent teacher of the ſciences, are at leaſt equal to what is neceſſary for the greateſt practitioners in law and phyſic. But the uſual reward of the eminent teacher bears no proportion to that of the lawyer or phyſician; becauſe the trade of the one is crowded with indigent people who have been brought up to it at the public expenſe; whereas thoſe of the other two are incumbered with very few who have not been educated at their own. The uſual recompence, however, of public and private teachers, ſmall as it may appear, would undoubtedly be leſs than it is, if the competition of thoſe yet more indigent men of letters who write for bread was not taken out of the market. Before the invention of the art of printing, a ſcholar and a beggar ſeem to have been terms very nearly ſynonymous. The different governors of the univerſities before that

time appear to have often granted licences to their ſcholars to beg.

In ancient times, before any charities of this kind had been eſtabliſhed for the education of indigent people to the learned profeſſions, the rewards of eminent teachers appear to have been much more conſiderable. Iſocrates, in what is called his diſcourſe againſt the ſophiſts, reproaches the teachers of his own times with inconſiſtency. "They make the moſt magnificent promiſes to their ſcholars, ſays he, and undertake to teach them to be wiſe, to be happy, and to be juſt, and in return for ſo important a ſervice they ſtipulate the paultry reward of four or five minæ. They who teach wiſdom, continues he, ought certainly to be wiſe themſelves; but if any man were to ſell ſuch a bargain for ſuch a price, he would be convicted of the moſt evident folly." He certainly does not mean here to exaggerate the reward, and we may be aſſured that it was not leſs than he repreſents it. Four minæ were equal to thirteen pounds ſix ſhillings and eight pence: five minæ to ſixteen pounds thirteen ſhillings and four pence. Something not leſs than the largeſt of thoſe two ſums, therefore, muſt at that time have been uſually paid to the moſt eminent teachers at Athens. Iſocrates himſelf demanded ten minæ, or thirty-three pounds ſix ſhillings and eight pence, from each ſcholar. When he taught at Athens, he is ſaid to have had a hundred ſcholars. I underſtand this to be the number whom he taught at one time, or who attended what we would call

one courſe of lectures, a number which will not appear extraordinary from ſo great a city to ſo famous a teacher, who taught too what was at that time the moſt faſhionable of all ſciences, rhetoric. He muſt have made, therefore, by each courſe of lectures, a thouſand minæ, or 3,333 *l.* 6 *s.* 8 *d.* A thouſand minæ, accordingly, is ſaid by Plutarch in another place, to have been his Didactron, or uſual price of teaching. Many other eminent teachers in thoſe times appear to have acquired great fortunes. Gorgias made a preſent to the temple of Delphi of his own ſtatue in ſolid gold. We muſt not, I preſume, ſuppoſe that it was as large as the life. His way of living, as well as that of Hippias and Protagoras, two other eminent teachers of thoſe times, is repreſented by Plato as ſplendid even to oſtentation. Plato himſelf is ſaid to have lived with a good deal of magnificence. Ariſtotle, after having been tutor to Alexander, and moſt munificently rewarded, as it is univerſally agreed, both by him and his father Philip, thought it worth while, notwithſtanding, to return to Athens, in order to reſume the teaching of his ſchool. Teachers of the ſciences were probably in thoſe times leſs common than they came to be in an age or two afterwards, when the competition had probably ſomewhat reduced both the price of their labor and the admiration for their perſons. The moſt eminent of them, however, appear always to have enjoyed a degree of conſideration much ſuperior to any of the like profeſſion in the preſent times. The Athenians

ſent

ſent Carneades the academic, and Diogenes the ſtoic, upon a ſolemn embaſſy to Rome; and though their city had then declined from its former grandeur, it was ſtill an independent and conſiderable republic. Carneades too was a Babylonian by birth, and as there never was a people more jealous of admitting foreigners to public offices than the Athenians, their conſideration for him muſt have been very great.

This inequality is upon the whole, perhaps, rather advantageous than hurtful to the public. It may ſomewhat degrade the profeſſion of a public teacher; but the cheapneſs of literary education is ſurely an advantage which greatly over-balances this trifling inconveniency. The public too might derive ſtill greater benefit from it, if the conſtitution of thoſe ſchools and colleges, in which education is carried on, was more reaſonable than it is at preſent through the greater part of Europe.

Thirdly, The policy of Europe, by obſtructing the free circulation of labor and ſtock both from employment to employment, and from place to place, occaſions in ſome caſes a very inconvenient inequality in the whole of the advantages and diſadvantages of their different employments.

The ſtatute of apprenticeſhip obſtructs the free circulation of labor from one employment to another, even in the ſame place. The excluſive privileges of corporations obſtruct it from one place to another, even in the ſame employment.

It frequently happens that while high wages

are given to the workmen in one manufacture, thofe in another are obliged to content themfelves with bare fubfiftence. The one is in an advancing ftate, and has, therefore, a continual demand for new hands: The other is in a declining ftate, and the fuper-abundance of hands is continually increafing. Thofe two manufactures may fometimes be in the fame town, and fometimes in the fame neighbourhood, without being able to lend the leaft affiftance to one another. The ftatute of apprenticefhip may oppofe it in the one cafe, and both that and an exclufive corporation in the other. In many different manufactures, however, the operations are fo much alike, that the workmen could eafily change trades with one another, if thofe abfurd laws did not hinder them. The arts of weaving plain linen and plain filk, for example, are almoft entirely the fame. That of weaving plain woollen is fomewhat different; but the difference is fo infignificant, that either a linen or a filk weaver might become a tolerable workman in a very few days. If any of thofe three capital manufactures, therefore, were decaying, the workmen might find a refource in one of the other two which was in a more profperous condition; and their wages would neither rife too high in the thriving, nor fink too low in the decaying manufacture. The linen manufacture indeed is, in England, by a particular ftatute, open to every body; but as it is not much cultivated through the greater part of the country,

it can afford no general resource to the workmen of other decaying manufactures, who, wherever the statute of apprenticeship takes place, have no other choice but either to come upon the parish, or to work as common laborers, for which, by their habits, they are much worse qualified than for any sort of manufacture that bears any resemblance to their own. They generally, therefore, chuse to come upon the parish.

Whatever obstructs the free circulation of labor from one employment to another, obstructs that of stock likewise; the quantity of stock which can be employed in any branch of business depending very much upon that of the labor which can be employed in it. Corporation laws, however, give less obstruction to the free circulation of stock from one place to another than to that of labor. It is every-where much easier for a wealthy merchant to obtain the privilege of trading in a town corporate, than for a poor artificer to obtain that of working in it.

The obstruction which corporation laws give to the free circulation of labor is common, I believe, to every part of Europe. That which is given to it by the poor laws is, so far as I know, peculiar to England. It consists in the difficulty which a poor man finds in obtaining a settlement, or even in being allowed to exercise his industry in any parish but that to which he belongs. It is the labor of artificers and manufacturers only of which the free circulation is obstructed by corporation laws. The difficulty

of obtaining ſettlements obſtructs even that of common labor. It may be worth while to give ſome account of the riſe, progreſs, and preſent ſtate of this diſorder, the greateſt perhaps of any in the police of England.

When by the deſtruction of monaſteries the poor had been deprived of the charity of thoſe religious houſes, after ſome other ineffectual attempts for their relief, it was enacted by the 43d of Elizabeth, c. 2. that every pariſh ſhould be bound to provide for its own poor; and that overſeers of the poor ſhould be annually appointed, who, with the churchwardens, ſhould raiſe by a pariſh rate, competent ſums for this purpoſe.

By this ſtatute the neceſſity of providing for their own poor was indiſpenſably impoſed upon every pariſh. Who were to be conſidered as the poor of each pariſh, became, therefore, a queſtion of ſome importance. This queſtion, after ſome variation, was at laſt determined by the 13th and 14th of Charles II. when it was enacted, that forty days undiſturbed reſidence ſhould gain any perſon a ſettlement in any pariſh; but that within that time it ſhould be lawful for two juſtices of the peace, upon complaint made by the churchwardens or overſeers of the poor, to remove any new inhabitant to the pariſh where he was laſt legally ſettled; unleſs he either rented a tenement of ten pounds a year, or could give ſuch ſecurity for the diſcharge of the pariſh where he was then living, as thoſe juſtices ſhould judge ſufficient.

Some frauds, it is ſaid, were committed in conſequence of this ſtatute; pariſh officers ſometimes bribing their own poor to go clandeſtinely to another pariſh, and by keeping themſelves concealed for forty days to gain a ſettlement there, to the diſcharge of that to which they properly belonged. It was enacted, therefore, by the 1ſt of James II. that the forty days undiſturbed reſidence of any perſon neceſſary to gain a ſettlement, ſhould be accounted only from the time of his delivering notice in writing, of the place of his abode and the number of his family, to one of the churchwardens or overſeers of the pariſh where he came to dwell.

But pariſh officers, it ſeems, were not always more honeſt with regard to their own, than they had been with regard to other pariſhes, and ſometimes connived at ſuch intruſions, receiving the notice, and taking no proper ſteps in conſequence of it. As every perſon in a pariſh, therefore, was ſuppoſed to have an intereſt to prevent as much as poſſible their being burdened by ſuch intruders, it was further enacted by the 3d of William III. that the forty days reſidence ſhould be accounted only from the publication of ſuch notice in writing on Sunday in the church, immediately after divine ſervice.

" After all, ſays Doctor Burn, this kind of " ſettlement, by continuing forty days after " publication of notice in writing, is very ſel- " dom obtained, and the deſign of the acts is " not ſo much for gaining of ſettlements, as for " the avoiding of them, by perſons coming into

" a parifh clandeftinely : for the giving of no-
" tice is only putting a force upon the parifh to
" remove. But if a perfon's fituation is fuch,
" that it is doubtful whether he is actually re-
" moveable or not, he fhall by giving of notice
" compel the parifh either to allow him a fettle-
" ment uncontefted, by fuffering him to con-
" tinue forty days; or, by removing him, to try
" the right."

This ftatute, therefore, rendered it almoft impracticable for a poor man to gain a new fettlement in the old way, by forty days inhabitancy. But that it might not appear to preclude altogether the common people of one parifh from ever eftablifhing themfelves with fecurity in another, it appointed four other ways by which a fettlement might be gained without any notice delivered or publifhed. The firft was, by being taxed to parifh rates and paying them; the fecond, by being elected into an annual parifh office, and ferving in it a year; the third, by ferving an apprenticefhip in the parifh; the fourth, by being hired into fervice there for a year, and continuing in the fame fervice during the whole of it.

Nobody can gain a fettlement by either of the two firft ways, but by the public deed of the whole parifh, who are too well aware of the confequences to adopt any new-comer who has nothing but his labor to fupport him, either by taxing him to parifh rates, or by electing him into a parifh office.

No married man can well gain any ſettlement in either of the two laſt ways. An apprentice is ſcarce ever married; and it is expreſsly enacted, that no married ſervant ſhall gain any ſettlement by being hired for a year. The principal effect of introducing ſettlement by ſervice, has been to put out in a great meaſure the old faſhion of hiring for a year, which before had been ſo cuſtomary in England, that even at this day, if no particular term is agreed upon, the law intends that every ſervant is hired for a year. But maſters are not always willing to give their ſervants a ſettlement by hiring them in this manner; and ſervants are not always willing to be ſo hired, becauſe, as every laſt ſettlement diſcharges all the foregoing, they might thereby loſe their original ſettlement in the places of their nativity, the habitation of their parents and relations.

No independent workman, it is evident, whether laborer or artificer, is likely to gain any new ſettlement either by apprenticeſhip or by ſervice. When ſuch a perſon, therefore, carried his induſtry to a new pariſh, he was liable to be removed, how healthy and induſtrious ſoever, at the caprice of any churchwarden or overſeer, unleſs he either rented a tenement of ten pounds a year, a thing impoſſible for one who has nothing but his labor to live by; or could give ſuch ſecurity for the diſcharge of the pariſh as two juſtices of the peace ſhould judge ſufficient. What ſecurity they ſhall require, indeed, is left altogether to their diſcretion; but they cannot well require leſs than thirty pounds,

it having been enacted, that the purchafe even of a freehold eftate of lefs than thirty pounds value, fhall not gain any perfon a fettlement, as not being fufficient for the difcharge of the parifh. But this is a fecurity which fcarce any man who lives by labor can give; and much greater fecurity is frequently demanded.

In order to reftore in fome meafure that free circulation of labor which thofe different ftatutes had almoft entirely taken away, the invention of certificates was fallen upon. By the 8th and 9th of William III. it was enacted, that if any perfon fhould bring a certificate from the parifh where he was laft legally fettled, fubfcribed by the churchwardens and overfeers of the poor, and allowed by two juftices of the peace, that every other parifh fhould be obliged to receive him; that he fhould not be removeable merely upon account of his being likely to become chargeable, but only upon his becoming actually chargeable, and that then the parifh which granted the certificate fhould be obliged to pay the expenfe both of his maintenance and of his removal. And in order to give the moft perfect fecurity to the parifh where fuch certificated man fhould come to refide, it was further enacted by the fame ftatute, that he fhould gain no fettlement there by any means whatever, except either by renting a tenement of ten pounds a year, or by ferving upon his own account in an annual parifh office for one whole year; and confequently neither by notice nor by fervice, nor by apprenticefhip, nor by paying parifh rates. By

the 12th of Queen Anne too, ſtat. 1. c. 18. it was further enacted, that neither the ſervants nor apprentices of ſuch certificated man ſhould gain any ſettlement in the pariſh where he reſided under ſuch certificate.

How far this invention has reſtored that free circulation of labor which the preceding ſtatutes had almoſt entirely taken away, we may learn from the following very judicious obſervation of Doctor Burn. "It is obvious, ſays he, that "there are divers good reaſons for requiring certi-"ficates with perſons coming to ſettle in any place; "namely, that perſons reſiding under them can "gain no ſettlement, neither by apprenticeſhip, "nor by ſervice, nor by giving notice, nor by "paying pariſh rates; that they can ſettle neither "apprentices nor ſervants; that if they become "chargeable, it is certainly known whither to "remove them, and the pariſh ſhall be paid for "the removal, and for their maintenance in the "mean time; and that if they fall ſick, and can-"not be removed, the pariſh which gave the "certificate muſt maintain them: none of all which "can be without a certificate. Which reaſons "will hold proportionably for pariſhes not grant-"ing certificates in ordinary caſes; for it is far "more than an equal chance, but that they will "have the certificated perſons again, and in a "worſe condition." The moral of this obſervation ſeems to be, that certificates ought always to be required by the pariſh where any poor man comes to reſide, and that they ought very ſeldom

to be granted by that which he propofes to leave. "There is fomething of hardfhip in this matter "of certificates," fays the fame very intelligent Author in his hiftory of the Poor Laws, "by "putting it in the power of a parifh officer, to "imprifon a man as it were for life; however "inconvenient it may be for him to continue at "that place where he has had the misfortune to "acquire what is called a fettlement, or what-"ever advantage he may propofe to himfelf by "living elfewhere."

Though a certificate carries along with it no teftimonial of good behaviour, and certifies nothing but that the perfon belongs to the parifh to which he really does belong, it is altogether difcretionary in the parifh officers either to grant or to refufe it. A mandamus was once moved for, fays Doctor Burn, to compel the church-wardens and overfeers to fign a certificate; but the court of King's Bench rejected the motion as a very ftrange attempt.

The very unequal price of labor which we frequently find in England in places at no great diftance from one another, is probably owing to the obftruction which the law of fettlements gives to a poor man who would carry his induftry from one parifh to another without a certificate. A fingle man, indeed, who is healthy and induftrious, may fometimes refide by fufferance without one; but a man with a wife and family who fhould attempt to do fo, would in moft parifhes be fure of being removed, and if the fingle man fhould afterwards marry, he would generally be

removed likewiſe. The ſcarcity of hands in one pariſh, therefore, cannot always be relieved by their ſuper-abundance in another, at it is conſtantly in Scotland, and, I believe, in all other countries where there is no difficulty of ſettlement. In ſuch countries, though wages may ſometimes riſe a little in the neighbourhood of a great town, or where-ever elſe there is an extraordinary demand for labor, and ſink gradually as the diſtance from ſuch places increaſes, till they fall back to the common rate of the country; yet we never meet with thoſe ſudden and unaccountable differences in the wages of neighbouring places which we ſometimes find in England, where it is often more difficult for a poor man to paſs the artificial boundary of a pariſh, than an arm of the ſea or a ridge of high mountains, natural boundaries which ſometimes ſeparate very diſtinctly different rates of wages in other countries.

To remove a man who has committed no miſdemeanour from the pariſh where he chuſes to reſide, is an evident violation of natural liberty and juſtice. The common people of England, however, ſo jealous of their liberty, but like the common people of moſt other countries never rightly underſtanding wherein it conſiſts, have now for more than a century together ſuffered themſelves to be expoſed to this oppreſſion without a remedy. Though men of reflection too have ſometimes complained of the law of ſettlements as a public grievance; yet it has never been the object of any general popular clamor,

ſuch as that againſt general warrants, an abuſive practice undoubtedly, but ſuch a one as was not likely to occaſion any general oppreſſion. There is ſcarce a poor man in England of forty years of age, I will venture to ſay, who has not in ſome part of his life felt himſelf moſt cruelly oppreſſed by this ill-contrived law of ſettlements.

I ſhall conclude this long chapter with obſerving, that though anciently it was uſual to rate wages, firſt by general laws extending over the whole kingdom, and afterwards by particular orders of the juſtices of peace in every particular county, both theſe practices have now gone entirely into diſuſe. "By the experience of above four hundred "years," ſays Doctor Burn, "it ſeems time to "lay aſide all endeavours to bring under ſtrict "regulations, what in its own nature ſeems in-"capable of minute limitation: for if all perſons "in the ſame kind of work were to receive equal "wages, there would be no emulation, and no "room left for induſtry or ingenuity."

Particular acts of parliament, however, ſtill attempt ſometimes to regulate wages in particular trades and in particular places. Thus the 8th of George III. prohibits under heavy penalties all maſter taylors in London, and five miles round it, from giving, and their workmen from accepting, more than two ſhillings and ſevenpence halfpenny a day, except in the caſe of a general mourning. Whenever the legiſlature attempts to regulate the differences between maſters and their workmen, its counſellors are

always the mafters. When the regulation, therefore, is in favor of the workmen, it is always juft and equitable; but it is fometimes otherwife when in favor of the mafters. Thus the law which obliges the mafters in feveral different trades to pay their workmen in money and not in goods, is quite juft and equitable. It impofes no real hardfhip upon the mafters. It only obliges them to pay that value in money, which they pretended to pay, but did not always really pay, in goods. This law is in favor of the workmen; but the 8th of George III. is in favor of the mafters. When mafters combine together in order to reduce the wages of their workmen, they commonly enter into a private bond or agreement, not to give more than a certain wage under a certain penalty. Were the workmen to enter into a contrary combination of the fame kind, not to accept of a certain wage under a certain penalty, the law would punifh them very feverely; and if it dealt impartially, it would treat the mafters in the fame manner. But the 8th of George III. enforces by law that very regulation which mafters fometimes attempt to eftablifh by fuch combinations. The complaint of the workmen, that it puts the ableft and moft induftrious upon the fame footing with an ordinary workman, feems perfectly well founded.

In ancient times too it was ufual to attempt to regulate the profits of merchants and other dealers, by rating the price both of provifions and other goods. The affize of bread is, fo far

as I know, the only remnant of this ancient ufage. Where there is an exclufive corporation, it may perhaps be proper to regulate the price of the firft neceffary of life. But where there is none, the competition will regulate it much better than any affize. The method of fixing the affize of bread eftablifhed by the 31ft of George II. could not be put in practice in Scotland, on account of a defect in the law; its execution depending upon the office of clerk of the market, which does not exift there. This defect was not remedied till the 3d of George III. The want of an affize occafioned no fenfible inconveniency, and the eftablifhment of one, in the few places where it has yet taken place, has produced no fenfible advantage. In the greater part of the towns of Scotland, however, there is an incorporation of bakers who claim exclufive privileges, though they are not very ftrictly guarded.

The proportion between the different rates both of wages and profit in the different employments of labor and ftock, feems not to be much affected, as has already been obferved, by the riches or poverty, the advancing, ftationary, or declining ftate of the fociety. Such revolutions in the public welfare, though they affect the general rates both of wages and profit, muft in the end affect them equally in all different employments. The proportion between them, therefore, muft remain the fame, and cannot well be altered, at leaft for any confiderable time, by any fuch revolutions.

CHAP. XI.

Of the Rent of Land.

RENT, conſidered as the price paid for the uſe of land, is naturally the higheſt which the tenant can afford to pay in the actual circumſtances of the land. In adjuſting the terms of the leaſe, the landlord endeavours to leave him no greater ſhare of the produce than what is ſufficient to keep up the ſtock from which he furniſhes the ſeed, pays the labor, and purchaſes and maintains the cattle and other inſtruments of huſbandry, together with the ordinary profits of farming ſtock in the neighbourhood. This is evidently the ſmalleſt ſhare with which the tenant can content himſelf without being a loſer, and the landlord ſeldom means to leave him any more. Whatever part of the produce, or, what is the ſame thing, whatever part of its price, is over and above this ſhare, he naturally endeavours to reſerve to himſelf as the rent of his land, which is evidently the higheſt the tenant can afford to pay in the actual circumſtances of the land. Sometimes, indeed, the liberality, more frequently the ignorance, of the landlord, makes him accept of ſomewhat leſs than this portion; and ſometimes too, though more rarely, the ignorance of the tenant makes him undertake to pay ſomewhat more, or to content himſelf with ſomewhat leſs than the ordinary profits of farming ſtock in the neighbourhood. This portion, however, may ſtill be conſidered as the natural

rent of land, or the rent for which it is naturally meant that land ſhould for the moſt part be let.

The rent of land, it may be thought, is frequently no more than a reaſonable profit or intereſt for the ſtock laid out by the landlord upon its improvement. This, no doubt, may be partly the caſe upon ſome occaſions; for it can ſcarce ever be more than partly the caſe. The landlord demands a rent even for unimproved land, and the ſuppoſed intereſt or profit upon the expenſe of improvement is generally an addition to this original rent. Thoſe improvements, beſides, are not always made by the ſtock of the landlord, but ſometimes by that of the tenant. When the leaſe comes to be renewed, however, the landlord commonly demands the ſame augmentation of rent, as if they had been all made by his own.

He ſometimes demands rent for what is altogether incapable of human improvement. Kelp is a ſpecies of ſea-weed, which, when burnt, yields an alkaline ſalt, uſeful for making glaſs, ſoap, and for ſeveral other purpoſes. It grows in ſeveral parts of Great Britain, particularly in Scotland, upon ſuch rocks only as lie within the high water mark, which are twice every day covered with the ſea, and of which the produce, therefore, was never augmented by human induſtry. The landlord, however, whoſe eſtate is bounded by a kelp ſhore of this kind, demands a rent for it as much as for his corn fields.

The ſea in the neighbourhood of the iſlands of Shetland is more than commonly abundant in

fiſh,

fiſh, which make a great part of the ſubſiſtence of their inhabitants. But in order to profit by the produce of the water, they muſt have a habitation upon the neighbouring land. The rent of the landlord is in proportion, not to what the farmer can make by the land, but to what he can make both by the land and by the water. It is partly paid in ſea-fiſh; and one of the very few inſtances in which rent makes a part of the price of that commodity, is to be found in that country.

The rent of land, therefore, conſidered as the price paid for the uſe of the land, is naturally a monopoly price. It is not at all proportioned to what the landlord may have laid out upon the improvement of the land, or to what he can afford to take; but to what the farmer can afford to give.

Such parts only of the produce of land can commonly be brought to market of which the ordinary price is ſufficient to replace the ſtock which muſt be employed in bringing them thither, together with its ordinary profits. If the ordinary price is more than this, the ſurplus part of it will naturally go to the rent of the land. If it is not more, though the commodity may be brought to market, it can afford no rent to the landlord. Whether the price is, or is not more, depends upon the demand.

There are ſome parts of the produce of land for which the demand muſt always be ſuch as to afford a greater price than what is ſufficient to bring them to market; and there are others for

which it either may or may not be ſuch as to afford this greater price. The former muſt always afford a rent to the landlord. The latter ſometimes may, and ſometimes may not, according to different circumſtances.

Rent, it is to be obſerved, therefore, enters into the compoſition of the price of commodities in a different way from wages and profit. High or low wages and profit, are the cauſes of high or low price; high or low rent is the effect of it. It is becauſe high or low wages and profit muſt be paid, in order to bring a particular commodity to market, that its price is high or low. But it is becauſe its price is high or low; a great deal more, or very little more, or no more, than what is ſufficient to pay thoſe wages and profit, that it affords a high rent, or a low rent, or no rent at all.

The particular conſideration, firſt, of thoſe parts of the produce of land which always afford ſome rent; ſecondly, of thoſe which ſometimes may and ſometimes may not afford rent; and, thirdly, of the variations which, in the different periods of improvement, naturally take place, in the relative value of thoſe two different ſorts of rude produce, when compared both with one another and with manufactured commodities, will divide this chapter into three parts.

PART I.

Of the Produce of Land which always affords Rent.

As men, like all other animals, naturally multiply in proportion to the means of their fubfiftence, food is always, more or lefs, in demand. It can always purchafe or command a greater or fmaller quantity of labor, and fomebody can always be found who is willing to do fomething, in order to obtain it. The quantity of labor, indeed, which it can purchafe, is not always equal to what it could maintain, if managed in the moft œconomical manner, on account of the high wages which are fometimes given to labor. But it can always purchafe fuch a quantity of labor as it can maintain, according to the rate at which that fort of labor is commonly maintained in the neighbourhood

But land, in almoft any fituation, produces a greater quantity of food than what is fufficient to maintain all the labor neceffary for bringing it to market, in the moft liberal way in which that labor is ever maintained. The furplus too is always more than fufficient to replace the ftock which employed that labor, together with its profits. Something, therefore, always remains for a rent to the landlord.

The moft defart moors in Norway and Scotland produce fome fort of pafture for cattle, of which the milk and the increafe are always more

than ſufficient, not only to maintain all the labor neceſſary for tending them, and to pay the ordinary profit to the farmer or owner of the herd or ſtock; but to afford ſome ſmall rent to the landlord. The rent increaſes in proportion to the goodneſs of the paſture. The ſame extent of ground not only maintains a greater number of cattle, but as they are brought within a ſmaller compaſs, leſs labor becomes requiſite to tend them, and to collect their produce. The landlord gains both ways; by the increaſe of the produce, and by the diminution of the labor which muſt be maintained out of it.

The rent of land not only varies with its fertility, whatever be its produce, but with its ſituation, whatever be its fertility. Land in the neighbourhood of a town, gives a greater rent than land equally fertile in a diſtant part of the country. Though it may coſt no more labor to cultivate the one than the other, it muſt always coſt more to bring the produce of the diſtant land to market. A greater quantity of labor, therefore, muſt be maintained out of it; and the ſurplus, from which are drawn both the profit of the farmer and the rent of the landlord, muſt be diminiſhed. But in remote parts of the country the rate of profits, as has already been ſhown, is generally higher than in the neighbourhood of a large town. A ſmaller proportion of this diminiſhed ſurplus, therefore, muſt belong to the landlord.

Good roads, canals, and navigable rivers, by diminiſhing the expenſe of carriage, put the remote

parts of the country more nearly upon a level with thofe in the neighbourhood of the town. They are upon that account the greateft of all improvements. They encourage the cultivation of the remote, which muft always be the moft extenfive circle of the country. They are advantageous to the town, by breaking down the monopoly of the country in its neighbourhood. They are advantageous even to that part of the country. Though they introduce fome rival commodities into the old market, they open many new markets to its produce. Monopoly, befides, is a great enemy to good management, which can never be univerfally eftablifhed but in confequence of that free and univerfal competition which forces every body to have recourfe to it for the fake of felf-defence. It is not more than fifty years ago, that fome of the counties in the neighbourhood of London petitioned the parliament againft the extenfion of the turnpike roads into the remoter counties. Thofe remoter counties, they pretended, from the cheapnefs of labor, would be able to fell their grafs and corn cheaper in the London market than themfelves, and would thereby reduce their rents, and ruin their cultivation. Their rents, however, have rifen, and their cultivation has been improved fince that time.

A corn field of moderate fertility produces a much greater quantity of food for man, than the beft pafture of equal extent. Though its cultivation requires much more labor, yet the furplus which remains after replacing the feed and

maintaining all that labor, is likewife much greater. If a pound of butcher's-meat, therefore, was never fuppofed to be worth more than a pound of bread, this greater furplus would every-where be of greater value, and conftitute a greater fund both for the profit of the farmer and the rent of the landlord. It feems to have done fo univerfally in the rude beginnings of agriculture.

But the relative values of thofe two different fpecies of food, bread and butcher's-meat, are very different in the different periods of agriculture. In its rude beginnings, the unimproved wilds, which then occupy the far greater part of the country, are all abandoned to cattle. There is more butcher's-meat than bread, and bread, therefore, is the food for which there is the greateft competition, and which confequently brings the greateft price. At Buenos Ayres, we are told by Ulloa, four reals, one-and-twenty pence halfpenny fterling, was, forty or fifty years ago, the ordinary price of an ox, chofen from a herd of two or three hundred. He fays nothing of the price of bread, probably becaufe he found nothing remarkable about it. An ox there, he fays, cofts little more than the labor of catching him. But corn can no-where be raifed without a great deal of labor, and in a country which lies upon the river Plata, at that time the direct road from Europe to the filver mines of Potofi, the money price of labor could not be very cheap. It is otherwife when cultivation is extended over the greater part of the country.

There is then more bread than butcher's-meat. The competition changes its direction, and the price of butcher's-meat becomes greater than the price of bread.

By the extenſion beſides of cultivation, the unimproved wilds become inſufficient to ſupply the demand for butcher's-meat. A great part of the cultivated lands muſt be employed in rearing and fattening cattle, of which the price, therefore, muſt be ſufficient to pay, not only the labor neceſſary for tending them, but the rent which the landlord and the profit which the farmer could have drawn from ſuch land employed in tillage. The cattle bred upon the moſt uncultivated moors, when brought to the ſame market, are, in proportion to their weight or goodneſs, ſold at the ſame price as thoſe which are reared upon the moſt improved land. The proprietors of thoſe moors profit by it, and raiſe the rent of their land in proportion to the price of their cattle. It is not more than a century ago that in many parts of the highlands of Scotland, butcher's-meat was as cheap or cheaper than even bread made of oat-meal. The union opened the market of England to the highland cattle. Their ordinary price is at preſent about three times greater than at the beginning of the century, and the rents of many highland eſtates have been tripled and quadrupled in the ſame time. In almoſt every part of Great Britain a pound of the beſt butcher's-meat is, in the preſent times, generally worth more than two pounds of the beſt white bread; and in

plentiful years it is ſometimes worth three or four pounds.

It is thus that in the progreſs of improvement the rent and profit of unimproved paſture come to be regulated in ſome meaſure by the rent and profit of what is improved, and theſe again by the rent and profit of corn. Corn is an annual crop. Butcher's-meat, a crop which requires four or five years to grow. As an acre of land, therefore, will produce a much ſmaller quantity of the one ſpecies of food than of the other, the inferiority of the quantity muſt be compenſated by the ſuperiority of the price. If it was more than compenſated, more corn land would be turned into paſture; and if it was not compenſated, part of what was in paſture would be brought back into corn.

This equality, however, between the rent and profit of graſs and thoſe of corn; or the land of which the immediate produce is food for cattle, and of that of which the immediate produce is food for men; muſt be underſtood to take place only through the greater part of the improved lands of a great country. In ſome particular local ſituations it is quite otherwiſe, and the rent and profit of graſs are much ſuperior to what can be made by corn.

Thus in the neighbourhood of a great town, the demand for milk and for forage to horſes, frequently contribute, together with the high price of butcher's-meat, to raiſe the value of graſs above what may be called its natural proportion to that of corn. This local advantage,

it is evident, cannot be communicated to the lands at a diſtance.

Particular circumſtances have ſometimes rendered ſome countries ſo populous, that the whole territory, like the lands in the neighbourhood of a great town, has not been ſufficient to produce both the graſs and the corn neceſſary for the ſubſiſtence of their inhabitants. Their lands, therefore, have been principally employed in the production of graſs, the more bulky commodity, and which cannot be ſo eaſily brought from a great diſtance; and corn, the food of the great body of the people, has been chiefly imported from foreign countries. Holland is at preſent in this ſituation, and a conſiderable part of ancient Italy ſeems to have been ſo during the proſperity of the Romans. To feed well, old Cato ſaid, as we are told by Cicero, was the firſt and moſt profitable thing in the management of a private eſtate; to feed tolerably well, the ſecond; and to feed ill, the third. To plough, he ranked only in the fourth place of profit and advantage. Tillage, indeed, in that part of ancient Italy which lay in the neighbourhood of Rome, muſt have been very much diſcouraged by the diſtributions of corn which were frequently made to the people, either gratuitouſly, or at a very low price. This corn was brought from the conquered provinces, of which ſeveral, inſtead of taxes, were obliged to furniſh a tenth part of their produce at a ſtated price, about ſixpence a peck, to the republic. The low price at which this corn was diſtributed to

the people, muſt neceſſarily have ſunk the price of what could be brought to the Roman market from Latium, or the ancient territory of Rome, and muſt have diſcouraged its cultivation in that country.

In an open country too, of which the principal produce is corn, a well-encloſed piece of graſs will frequently rent higher than any corn field in its neighbourhood. It is convenient for the maintenance of the cattle employed in the cultivation of the corn, and its high rent is, in this caſe, not ſo properly paid from the value of its own produce, as from that of the corn lands which are cultivated by means of it. It is likely to fall, if ever the neighbouring lands are compleatly encloſed. The preſent high rent of encloſed land in Scotland ſeems owing to the ſcarcity of encloſure, and will probably laſt no longer than that ſcarcity. The advantage of encloſure is greater for paſture than for corn. It ſaves the labor of guarding the cattle, which feed better too when they are not liable to be diſturbed by their keeper or his dog.

But where there is no local advantage of this kind, the rent and profit of corn, or whatever elſe is the common vegetable food of the people, muſt naturally regulate, upon the land which is fit for producing it, the rent and profit of paſture.

The uſe of the artificial graſſes, of turnips, carrots, cabbages, and the other expedients which have been fallen upon to make an equal quantity of land feed a greater number of cattle

than when in natural grafs, fhould fomewhat reduce, it might be expected, the fuperiority which, in an improved country, the price of butcher's-meat naturally has over that of bread. It feems accordingly to have done fo; and there is fome reafon for believing that, at leaft in the London market, the price of butcher's-meat in proportion to the price of bread, is a good deal lower in the prefent times than it was in the beginning of the laft century.

In the appendix to the Life of prince Henry, Doctor Birch has given us an account of the prices of butcher's-meat as commonly paid by that prince. It is there faid, that the four quarters of an ox weighing fix hundred pounds ufually coft him nine pounds ten fhillings, or thereabouts; that is, thirty-one fhillings and eight pence per hundred pounds weight. Prince Henry died on the 6th of November 1612, in the nineteenth year of his age.

In March 1764, there was a parliamentary inquiry into the caufes of the high price of provifions at that time. It was then, among other proof to the fame purpofe, given in evidence by a Virginia merchant, that in March 1763, he had victualled his fhips for twenty-four or twenty-five fhillings the hundred weight of beef, which he confidered as the ordinary price; whereas, in that dear year, he had paid twenty-feven fhillings for the fame weight and fort. This high price in 1764 is however, four fhillings and eight-pence cheaper than the ordinary price paid by

prince Henry ; and it is the beſt beef only, it muſt be obſerved , which is fit to be ſalted for thoſe diſtant voyages.

The price paid by prince Henry amounts to 3$\frac{4}{5}$*d.* per pound weight of the whole carcaſe, coarſe and choice pieces taken together ; and at that rate the choice pieces could not have been ſold by retail for leſs than 4$\frac{1}{2}$*d.* or 5*d.* the pound.

In the parliamentary inquiry in 1764 , the witneſſes ſtated the price of the choice pieces of the beſt beef to be to the conſumer 4*d.* and 4$\frac{1}{4}$*d.* the pound ; and the coarſe pieces in general to be from ſeven farthings to 2$\frac{1}{2}$*d.* and 2$\frac{3}{4}$*d.* ; and this they ſaid was in general one half-penny dearer than the ſame ſort of pieces had uſually been ſold in the month of March. But even this high price is ſtill a good deal cheaper than what we can well ſuppoſe the ordinary retail price to have been in the time of prince Henry.

During the twelve firſt years of the laſt century , the average price of the beſt wheat at the Windſor market was 1*l.* 18*s.* 3$\frac{1}{2}$*d.* the quarter of nine Wincheſter buſhels.

But in the twelve years preceding 1764, including that year , the average price of the ſame meaſure of the beſt wheat at the ſame market was 2*l.* 1*s.* 9$\frac{1}{2}$*d.*

In the twelve firſt years of the laſt century, therefore, wheat appears to have been a good deal cheaper , and butcher's-meat a good deal dearer, than in the twelve years preceding 1764, including that year.

In all great countries the greater part of the cultivated lands are employed in producing either food for men or food for cattle. The rent and profit of these regulate the rent and profit of all other cultivated land. If any particular produce afforded less, the land would soon be turned into corn or pasture; and if any afforded more, some part of the lands in corn or pasture would soon be turned to that produce.

Those productions, indeed, which require either a greater original expense of improvement, or a greater annual expense of cultivation, in order to fit the land for them, appear commonly to afford, the one a greater rent, the other a greater profit than corn or pasture. This superiority, however, will seldom be found to amount to more than a reasonable interest or compensation for this superior expense.

In a hop garden, a fruit garden, a kitchen garden, both the rent of the landlord, and the profit of the farmer, are generally greater than in a corn or grass field. But to bring the ground into this condition requires more expense. Hence a greater rent becomes due to the landlord. It requires too a more attentive and skilful management. Hence a greater profit becomes due to the farmer. The crop too, at least in the hop and fruit garden, is more precarious. Its price, therefore, besides compensating all occasional losses, must afford something like the profit of insurance. The circumstances of gardeners, generally mean, and always moderate, may satisfy us that their great ingenuity is not

commonly over-recompenfed. Their delightful art is practifed by fo many rich people for amufement, that little advantage is to be made by thofe who practife it for profit; becaufe the perfons who fhould naturally be their beft cuftomers, fupply themfelves with all their moft precious productions.

The advantage which the landlord derives from fuch improvements feems at no time to have been greater than what was fufficient to compenfate the original expenfe of making them. In the ancient hufbandry, after the vineyard, a well-watered kitchen garden feems to have been the part of the farm which was fuppofed to yield the moft valuable produce. But Democritus, who wrote upon hufbandry about two thoufand years ago, and who was regarded by the ancients as one of the fathers of the art, thought they did not act wifely who enclofed a kitchen garden. The profit, he faid, would not compenfate the expenfe of a ftone wall; and bricks (he meant, I fuppofe, bricks baked in the fun) mouldered with the rain, and the winter ftorm, and required continual repairs. Columella, who reports this judgment of Democritus, does not controvert it, but propofes a very frugal method of enclofing with a hedge of brambles and briars, which he fays, he had found by experience to be both a lafting and an impenetrable fence; but which, it feems, was not commonly known in the time of Democritus. Palladius adopts the opinion of Columella, which had before been recommended by

Varro. In the judgment of thoſe ancient improvers, the produce of a kitchen garden had, it ſeems, been little more than ſufficient to pay the extraordinary culture and the expenſe of watering; for in countries ſo near the ſun, it was thought proper, in thoſe times as in the preſent, to have the command of a ſtream of water, which could be conducted to every bed in the garden. Through the greater part of Europe, a kitchen garden is not at preſent ſuppoſed to deſerve a better encloſure than that recommended by Columella. In Great Britain, and ſome other northern countries, the finer fruits cannot be brought to perfection but by the aſſiſtance of a wall. Their price, therefore, in ſuch countries muſt be ſufficient to pay the expenſe of building and maintaining what they cannot be had without. The fruit-wall frequently ſurrounds the kitchen garden, which thus enjoys the benefit of an encloſure which its own produce could ſeldom pay for.

That the vineyard, when properly planted and brought to perfection, was the moſt valuable part of the farm, ſeems to have been an undoubted maxim in the ancient agriculture, as it is in the modern through all the wine countries. But whether it was advantageous to plant a new vineyard, was a matter of diſpute among the ancient Italian huſbandmen, as we learn from Columella. He decides, like a true lover of all curious cultivation, in favor of the vineyard, and endeavours to ſhow, by a compariſon of the profit and expenſe, that it was a moſt advantageous

improvement. Such comparifons, however, between the profit and expenfe of new projects, are commonly very fallacious; and in nothing more fo than in agriculture. Had the gain actually made by fuch plantations been commonly as great as he imagined it might have been, there could have been no difpute about it. The fame point is frequently at this day a matter of controverfy in the wine countries. Their writers on agriculture, indeed, the lovers and promoters of high cultivation, feem generally difpofed to decide with Columella in favor of the vineyard. In France the anxiety of the proprietors of the old vineyards to prevent the planting of any new ones, feems to favor their opinion, and to indicate a confcioufnefs in thofe who muft have the experience, that this fpecies of cultivation is at prefent in that country more profitable than any other. It feems at the fame time, however, to indicate another opinion, that this fuperior profit can laft no longer than the laws which at prefent reftrain the free cultivation of the vine. In 1731, they obtained an order of council, prohibiting both the planting of new vineyards, and the renewal of thofe old ones, of which the cultivation had been interrupted for two years; without a particular permiffion from the king, to be granted only in confequence of an information from the intendant of the province, certifying that he had examined the land, and that it was incapable of any other culture. The pretence of this order was the fcarcity of corn and pafture, and the fuper-

ſuper-abundance of wine. But had this ſuper-abundance been real, it would, without any order of council, have effectually prevented the plantation of new vineyards, by reducing the profits of this ſpecies of cultivation below their natural proportion to thoſe of corn and paſture. With regard to the ſuppoſed ſcarcity of corn occaſioned by the multiplication of vineyards, corn is nowhere in France more carefully cultivated than in the wine provinces, where the land is fit for producing it; as in Burgundy, Guienne, and the Upper Languedoc. The numerous hands employed in the one ſpecies of cultivation neceſſarily encourage the other, by affording a ready market for its produce. To diminiſh the number of thoſe who are capable of paying for it, is ſurely a moſt unpromiſing expedient for encouraging the cultivation of corn. It is like the policy which would promote agriculture by diſcouraging manufactures.

The rent and profit of thoſe productions, therefore, which require either a greater original expenſe of improvement in order to fit the land for them, or a greater annual expenſe of cultivation, though often much ſuperior to thoſe of corn and paſture, yet when they do no more than compenſate ſuch extraordinary expenſe, are in reality regulated by the rent and profit of thoſe common crops.

It ſometimes happens, indeed, that the quantity of land which can be fitted for ſome particular produce, is too ſmall to ſupply the effectual demand. The whole produce can be diſpoſed

of to thofe who are willing to give fomewhat more than what is fufficient to pay the whole rent, wages and profit neceffary for raifing and bringing it to market, according to their natural rates, or according to the rates at which they are paid in the greater part of other cultivated land. The furplus part of the price which remains after defraying the whole expenfe of improvement and cultivation may commonly, in this cafe, and in this cafe only, bear no regular proportion to the like furplus in corn or pafture, but may exceed it in almoft any degree; and the greater part of this excefs naturally goes to the rent of the landlord.

The ufual and natural proportion, for example, between the rent and profit of wine and thofe of corn and pafture, muft be underftood to take place only with regard to thofe vineyards which produce nothing but good common wine, fuch as can be raifed almoft any where, upon any light, gravelly, or fandy foil, and which has nothing to recommend it but its ftrength and wholefomenefs. It is with fuch vineyards only that the common land of the country can be brought into competition; for with thofe of a peculiar quality it is evident that it cannot.

The vine is more affected by the difference of foils than any other fruit tree. From fome it derives a flavor which no culture or management can equal, it is fuppofed, upon any other. This flavor, real or imaginary, is fometimes peculiar to the produce of a few vineyards; fometimes it extends through the greater part of

a ſmall diſtrict, and ſometimes through a conſiderable part of a large province. The whole quantity of ſuch wines that is brought to market falls ſhort of the effectual demand, or the demand of thoſe who would be willing to pay the whole rent, profit and wages neceſſary for preparing and bringing them thither, according to the ordinary rate, or according to the rate at which they are paid in common vineyards. The whole quantity, therefore, can be diſpoſed of to thoſe who are willing to pay more, which neceſſarily raiſes the price above that of common wine. The difference is greater or leſs, according as the faſhionableneſs and ſcarcity of the wine render the competition of the buyers more or leſs eager. Whatever it be, the greater part of it goes to the rent of the landlord. For though ſuch vineyards are in general more carefully cultivated than moſt others, the high price of the wine ſeems to be, not ſo much the effect, as the cauſe of this careful cultivation. In ſo valuable a produce the loſs occaſioned by negligence is ſo great as to force even the moſt careleſs to attention. A ſmall part of this high price, therefore, is ſufficient to pay the wages of the extraordinary labor beſtowed upon their cultivation, and the profits of the extraordinary ſtock which puts that labor into motion.

The ſugar colonies poſſeſſed by the European nations in the Weſt-Indies, may be compared to thoſe precious vineyards. Their whole produce falls ſhort of the effectual demand of Europe, and can be diſpoſed of to thoſe who are willing to

give more than what is ſufficient to pay the whole rent, profit and wages neceſſary for preparing and bringing it to market, according to the rate at which they are commonly paid by any other produce. In Cochin-china the fineſt white ſugar commonly ſells for three piaſters the quintal, about thirteen ſhillings and ſixpence of our money, as we are told by* Mr. Poivre, a very careful obſerver of the agriculture of that country. What is there called the quintal weighs from a hundred and fifty to two hundred Paris pounds, or a hundred and ſeventy-five Paris pounds at a medium, which reduces the price of the hundred weight Engliſh to about eight ſhillings ſterling, not a fourth part of what is commonly paid for the brown or muſkavada ſugars imported from our colonies, and not a ſixth part of what is paid for the fineſt white ſugar. The greater part of the cultivated lands in Cochin-china are employed in producing corn and rice, the food of the great body of the people. The reſpective prices of corn, rice, and ſugar, are there probably in the natural proportion, or in that which naturally takes place in the different crops of the greater part of cultivated land, and which recompenſes the landlord and farmer, as nearly as can be computed, according to what is uſually the original expenſe of improvement and the annual expenſe of cultivation. But in our ſugar colonies the price of ſugar bears no ſuch proportion to that of the produce of a rice or corn field either in Europe or in America. It is commonly

* Voyages d'un Philoſophe.

ſaid, that a ſugar planter expects that the rum and the molaſſes ſhould defray the whole expenſe of his cultivation, and that his ſugar ſhould be all clear profit. If this be true, for I pretend not to affirm it, it is as if a corn farmer expected to defray the expenſe of his cultivation with the chaff and the ſtraw, and that the grain ſhould be all clear profit. We ſee frequently ſocieties of merchants in London and other trading towns, purchaſe waſte lands in our ſugar colonies, which they expect to improve and cultivate with profit by means of factors and agents; notwithſtanding the great diſtance and the uncertain returns, from the defective adminiſtration of juſtice in thoſe countries. Nobody will attempt to improve and cultivate in the ſame manner the moſt fertile lands of Scotland, Ireland, or the corn provinces of North-America; though from the more exact adminiſtration of juſtice in theſe countries, more regular returns might be expected.

In Virginia and Maryland the cultivation of tobacco is preferred, as more profitable, to that of corn. Tobacco might be cultivated with advantage through the greater part of Europe; but in almoſt every part of Europe it has become a principal ſubject of taxation, and to collect a tax from every different farm in the country where this plant might happen to be cultivated, would be more difficult, it has been ſuppoſed, than to levy one upon its importation at the cuſtom-houſe. The cultivation of tobacco has upon this account been moſt abſurdly prohibited

through the greater part of Europe, which necessarily gives a sort of monopoly to the countries where it is allowed; and as Virginia and Maryland produce the greatest quantity of it, they share largely, though with some competitors, in the advantage of this monopoly. The cultivation of tobacco, however, seems not to be so advantageous as that of sugar. I have never even heard of any tobacco plantation that was improved and cultivated by the capital of merchants who resided in Great Britain, and our tobacco colonies send us home no such wealthy planters as we see frequently arrive from our sugar islands. Though from the preference given in those colonies to the cultivation of tobacco above that of corn, it would appear that the effectual demand of Europe for tobacco is not compleatly supplied, it probably is more nearly so than that for sugar: And though the present price of tobacco is probably more than sufficient to pay the whole rent, wages and profit necessary for preparing and bringing it to market, according to the rate at which they are commonly paid in corn land; it must not be so much more as the present price of sugar. Our tobacco planters, accordingly, have shown the same fear of the super-abundance of tobacco, which the proprietors of the old vineyards in France have of the super-abundance of wine. By act of assembly they have restrained its cultivation to six thousand plants, supposed to yield a thousand weight of tobacco, for every negro between sixteen and sixty years of age. Such a negro, over and above this quantity of

tobacco, can manage, they reckon, four acres of Indian corn. To prevent the market from being overſtocked too, they have ſometimes, in plentiful years, we are told by Dr. Douglas*, (I ſuſpect he has been ill informed) burnt a certain quantity of tobacco for every negro, in the ſame manner as the Dutch are ſaid to do of ſpices. If ſuch violent methods are neceſſary to keep up the preſent price of tobacco, the ſuperior advantage of its culture over that of corn, if it ſtill has any, will not probably be of long continuance.

It is in this manner that the rent of the cultivated land, of which the produce is human food, regulates the rent of the greater part of other cultivated land. No particular produce can long afford leſs; becauſe the land would immediately be turned to another uſe: And if any particular produce commonly affords more, it is becauſe the quantity of land which can be fitted for it is too ſmall to ſupply the effectual demand.

In Europe corn is the principal produce of land which ſerves immediately for human food. Except in particular ſituations, therefore, the rent of corn land regulates in Europe that of all other cultivated land. Britain need envy neither the vineyards of France nor the olive plantations of Italy. Except in particular ſituations, the value of theſe is regulated by that of corn, in which the fertility of Britain is not much inferior to that of either of thoſe two countries.

* Douglas's Summary, vol. ii. p. 372, 373.

If in any country the common and favorite vegetable food of the people ſhould be drawn from a plant of which the moſt common land, with the ſame or nearly the ſame culture, produced a much greater quantity than the moſt fertile does of corn, the rent of the landlord, or the ſurplus quantity of food which would remain to him, after paying the labor and replacing the ſtock of the farmer together with its ordinary profits, would neceſſarily be much greater. Whatever was the rate at which labor was commonly maintained in that country, this greater ſurplus could always maintain a greater quantity of it, and conſequently enable the landlord to purchaſe or command a greater quantity of it. The real value of his rent, his real power and authority, his command of the neceſſaries and conveniencies of life with which the labor of other people could ſupply him, would neceſſarily be much greater.

A rice field produces a much greater quantity of food than the moſt fertile corn field. Two crops in the year from thirty to ſixty buſhels each, are ſaid to be the ordinary produce of an acre. Though its cultivation, therefore, requires more labor, a much greater ſurplus remains after maintaining all that labor. In thoſe rice countries, therefore, where rice is the common and favorite vegetable food of the people, and where the cultivators are chiefly maintained with it, a greater ſhare of this greater ſurplus ſhould belong to the landlord than in corn countries. In Carolina, where the

planters, as in other Britiſh colonies, are generally both farmers and landlords, and where rent conſequently is confounded with profit, the cultivation of rice is found to be more profitable than that of corn, though their fields produce only one crop in the year, and though, from the prevalence of the cuſtoms of Europe, rice is not there the common and favorite vegetable food of the people.

A good rice field is a bog at all ſeaſons, and at one ſeaſon a bog covered with water. It is unfit either for corn, or paſture, or vineyard, or, indeed, for any other vegetable produce that is very uſeful to men: And the lands which are fit for thoſe purpoſes, are not fit for rice. Even in the rice countries, therefore, the rent of rice lands cannot regulate the rent of the other cultivated land which can never be turned to that produce.

The food produced by a field of potatoes is not inferior in quantity to that produced by a field of rice, and much ſuperior to what is produced by a field of wheat. Twelve thouſand weight of potatoes from an acre of land is not a greater produce than two thouſand weight of wheat. The food or ſolid nouriſhment, indeed, which can be drawn from each of thoſe two plants, is not altogether in proportion to their weight, on account of the watery nature of potatoes. Allowing, however, half the weight of this root to go to water, a very large allowance, ſuch an acre of potatoes will ſtill produce ſix thouſand weight of ſolid nouriſhment, three

times the quantity produced by the acre of wheat. An acre of potatoes is cultivated with lefs expenfe than an acre of wheat; the fallow, which generally precedes the fowing of wheat, more than compenfating the hoeing and other extraordinary culture which is always given to potatoes. Should this root ever become in any part of Europe, like rice in fome rice countries, the common and favorite vegetable food of the people, fo as to occupy the fame proportion of the lands in tillage which wheat and other forts of grain for human food do at prefent, the fame quantity of cultivated land would maintain a much greater number of people, and the laborers being generally fed with potatoes, a greater furplus would remain after replacing all the ftock and maintaining all the labor employed in cultivation. A greater fhare of this furplus too would belong to the landlord. Population would increafe, and rents would rife much beyond what they are at prefent.

The land which is fit for potatoes, is fit for almoft every other ufeful vegetable. If they occupied the fame proportion of cultivated land which corn does at prefent, they would regulate, in the fame manner, the rent of the greater part of other cultivated land.

In fome parts of Lancafhire it is pretended, I have been told, that bread of oatmeal is a heartier food for laboring people than wheaten bread, and I have frequently heard the fame doctrine held in Scotland. I am, however, fomewhat doubtful of the truth of it. The common

people in Scotland, who are fed with oatmeal, are in general neither ſo ſtrong, nor ſo handſome as the ſame rank of people in England, who are fed with wheaten bread. They neither work ſo well, nor look ſo well; and as there is not the ſame difference between the people of faſhion in the two countries, experience would ſeem to ſhow, that the food of the common people in Scotland is not ſo ſuitable to the human conſtitution as that of their neighbours of the ſame rank in England. But it ſeems to be otherwiſe with potatoes. The chairmen, porters, and coalheavers in London, and thoſe unfortunate women who live by proſtitution, the ſtrongeſt men and the moſt beautiful women perhaps in the Britiſh dominions, are ſaid to be the greater part of them, from the loweſt rank of people in Ireland, who are generally fed with this root. No food can afford a more deciſive proof of its nouriſhing quality, or of its being peculiarly ſuitable to the health of the human conſtitution.

It is difficult to preſerve potatoes through the year, and impoſſible to ſtore them like corn, for two or three years together. The fear of not being able to ſell them before they rot, diſcourages their cultivation, and is, perhaps, the chief obſtacle to their ever becoming in any great country, like bread, the principal vegetable food of all the different ranks of the people.

PART. II.

Of the Produce of Land which ſometimes does, and ſometimes does not, afford Rent.

HUMAN food ſeems to be the only produce of land which always and neceſſarily affords ſome rent to the landlord. Other ſorts of produce ſometimes may and ſometimes may not, according to different circumſtances.

After food, cloathing and lodging are the two great wants of mankind.

Land in its original rude ſtate can afford the materials of cloathing and lodging to a much greater number of people than it can feed. In its improved ſtate it can ſometimes feed a greater number of people than it can ſupply with thoſe materials; at leaſt in the way in which they require them, and are willing to pay for them. In the one ſtate, therefore, there is always a ſuper-abundance of thoſe materials, which are frequently, upon that account, of little or no value. In the other there is often a ſcarcity, which neceſſarily augments their value. In the one ſtate a great part of them is thrown away as uſeleſs, and the price of what is uſed is conſidered as equal only to the labor and expenſe of fitting it for uſe, and can, therefore, afford no rent to the landlord. In the other they are all made uſe of, and there is frequently a demand for more than can be had. Somebody is always willing to give more for every part of them than

what is ſufficient to pay the expenſe of bringing them to market. Their price, therefore, can always afford ſome rent to the landlord.

The ſkins of the larger animals were the original materials of cloathing. Among nations of hunters and ſhepherds, therefore, whoſe food conſiſts chiefly in the fleſh of thoſe animals, every man, by providing himſelf with food, provides himſelf with the materials of more cloathing than he can wear. If there was no foreign commerce, the greater part of them would be thrown away as things of no value. This was probably the caſe among the hunting nations of North-America, before their country was diſcovered by the Europeans, with whom they now exchange their ſurplus peltry, for blankets, fire-arms, and brandy, which gives it ſome value. In the preſent commercial ſtate of the known world, the moſt barbarous nations, I believe, among whom land property is eſtabliſhed, have ſome foreign commerce of this kind, and find among their wealthier neighbours ſuch a demand for all the materials of cloathing, which their land produces, and which can neither be wrought up nor conſumed at home, as raiſes their price above what it coſts to ſend them to thoſe wealthier neighbours. It affords, therefore, ſome rent to the landlord. When the greater part of the highland cattle were conſumed on their own hills, the exportation of their hides made the moſt conſiderable article of the commerce of that country, and what they were exchanged for afforded ſome addition to the rent

of the highland eftates. The wool of England, which in old times could neither be confumed nor wrought up at home, found a market in the then wealthier and more induftrious country of Flanders, and its price afforded fomething to the rent of the land which produced it. In countries not better cultivated than England was then, or than the highlands of Scotland are now, and which had no foreign commerce, the materials of cloathing would evidently be fo fuper-abundant, that a great part of them would be thrown away as ufelefs, and no part could afford any rent to the landlord.

The materials of lodging cannot always be tranfported to fo great a diftance as thofe of cloathing, and do not fo readily become an object of foreign commerce. When they are fuper-abundant in the country which produces them, it frequently happens, even in the prefent commercial ftate of the world, that they are of no value to the landlord. A good ftone quarry in the neighbourhood of London would afford a confiderable rent. In many parts of Scotland and Wales it affords none. Barren timber for building is of great value in a populous and well-cultivated country and the land which produces it affords a confiderable rent. But in many parts of North-America the landlord would be much obliged to any body who would carry away the greater part of his large trees. In fome parts of the highlands of Scotland the bark is the only part of the wood which, for want of roads and water-carriage, can be fent to

market. The timber is left to rot upon the ground. When the materials of lodging are ſo ſuper-abundant, the part made uſe of is worth only the labor and expenſe of fitting it for that uſe. It affords no rent to the landlord, who generally grants the uſe of it to whoever takes the trouble of aſking it. The demand of wealthier nations, however, ſometimes enables him to get a rent for it. The paving of the ſtreets of London has enabled the owners of ſome barren rocks on the coaſt of Scotland to draw a rent from what never afforded any before. The woods of Norway and of the coaſts of the Baltic, find a market in many parts of Great Britain which they could not find at home, and thereby afford ſome rent to their proprietors.

Countries are populous, not in proportion to the number of people whom their produce can cloath and lodge, but in proportion to that of thoſe whom it can feed. When food is provided, it is eaſy to find the neceſſary cloathing and lodging. But though theſe are at hand, it may often be difficult to find food. In ſome parts even of the Britiſh dominions what is called A Houſe, may be built by one day's labor of one man. The ſimpleſt ſpecies of cloathing, the ſkins of animals require ſomewhat more labor to dreſs and prepare them for uſe. They do not, however, require a great deal. Among ſavage and barbarous nations, a hundredth or little more than a hundredth part of the labor of the whole year, will be ſufficient to provide them with ſuch cloathing and lodging as ſatisfy the

greater part of the people. All the other ninety-nine parts are frequently no more than enough to provide them with food.

But when by the improvement and cultivation of land the labor of one family can provide food for two, the labor of half the ſociety becomes ſufficient to provide food for the whole. The other half, therefore, or at leaſt the greater part of them, can be employed in providing other things, or in ſatisfying the other wants and fancies of mankind. Cloathing and lodging, houſhold furniture, and what is called Equipage, are the principal objects of the greater part of thoſe wants and fancies. The rich man conſumes no more food than his poor neighbour. In quality it may be very different, and to ſelect and prepare it may require more labor and art; but in quantity it is very nearly the ſame. But compare the ſpacious palace and great wardrobe of the one, with the hovel and the few rags of the other, and you will be ſenſible that the difference between their cloathing, lodging and houſhold furniture, is almoſt as great in quantity as it is in quality. The deſire of food is limited in every man by the narrow capacity of the human ſtomach; but the deſire of the conveniencies and ornaments of building, dreſs, equipage, and houſhold furniture, ſeems to have no limit or certain boundary. Thoſe, therefore, who have the command of more food than they themſelves can conſume, are always willing to exchange the ſurplus, or, what is the ſame thing, the price of it, for gratifications of

this

this other kind. What is over and above ſatiſfying the limited deſire, is given for the amuſement of thoſe deſires which cannot be ſatisfied, but ſeem to be altogether endleſs. The poor, in order to obtain food, exert themſelves to gratify thoſe fancies of the rich, and to obtain it more certainly, they vie with one another in the cheapneſs and perfection of their work. The number of workmen increaſes with the increaſing quantity of food, or with the growing improvement and cultivation of the lands; and as the nature of their buſineſs admits of the utmoſt ſubdiviſions of labor, the quantity of materials which they can work up, increaſes in a much greater proportion than their numbers. Hence ariſes a demand for every ſort of material which human invention can employ, either uſefully or ornamentally, in building, dreſs, equipage, or houſhold furniture; for the foſſils and minerals contained in the bowels of the earth; the precious metals, and the precious ſtones.

Food is in this manner, not only the original ſource of rent, but every other part of the produce of land which afterwards affords rent, derives that part of its value from the improvement of the powers of labor in producing food by means of the improvement and cultivation of land.

Thoſe other parts of the produce of land, however, which afterwards afford rent, do not afford it always. Even in improved and cultivated countries, the demand for them is not always ſuch as to afford a greater price than what

is ſufficient to pay the labor, and replace, together with its ordinary profits, the ſtock which muſt be employed in bringing them to market. Whether it is or is not ſuch, depends upon different circumſtances.

Whether a coal-mine, for example, can afford any rent, depends partly upon its fertility, and partly upon its ſituation.

A mine of any kind may be ſaid to be either fertile or barren, according as the quantity of mineral which can be brought from it by a certain quantity of labor, is greater or leſs than what can be brought by an equal quantity from the greater part of other mines of the ſame kind.

Some coal-mines advantageouſly ſituated, cannot be wrought on account of their barrenneſs. The produce does not pay the expenſe. They can afford neither profit nor rent.

There are ſome of which the produce is barely ſufficient to pay the labor, and replace, together with its ordinary profits, the ſtock employed in working them. They afford ſome profit to the undertaker of the work, but no rent to the landlord. They can be wrought advantageouſly by nobody but the landlord, who being himſelf undertaker of the work, gets the ordinary profit of the capital which he employs in it. Many coal-mines in Scotland are wrought in this manner, and can be wrought in no other. The landlord will allow nobody elſe to work them without paying ſome rent, and nobody can afford to pay any.

Other coal-mines in the ſame country ſufficiently fertile, cannot be wrought on account of their ſituation. A quantity of mineral ſufficient to defray the expenſe of working, could be brought from the mine by the ordinary, or even leſs than the ordinary quantity of labor: But in an inland country, thinly inhabited, and without either good roads or water-carriage, this quantity could not be ſold.

Coals are a leſs agreeable fuel than wood: they are ſaid too to be leſs wholeſome. The expenſe of coals, therefore, at the place where they are conſumed, muſt generally be ſomewhat leſs than that of wood.

The price of wood again varies with the ſtate of agriculture, nearly in the ſame manner, and exactly for the ſame reaſon, as the price of cattle. In its rude beginnings the greater part of every country is covered with wood, which is then a mere incumbrance of no value to the landlord, who would gladly give it to any body for the cutting. As agriculture advances, the woods are partly cleared by the progreſs of tillage, and partly go to decay in conſequence of the increaſed number of cattle. Theſe, though they do not increaſe in the ſame proportion as corn, which is altogether the acquiſition of human induſtry, yet multiply under the care and protection of men; who ſtore up in the ſeaſon of plenty what may maintain them in that of ſcarcity, who through the whole year furniſh them with a greater quantity of food than uncultivated nature provides for them, and who by deſtroying

and extirpating their enemies, ſecure them in the free enjoyment of all that ſhe provides. Numerous herds of cattle, when allowed to wander through the woods, though they do not deſtroy the old trees, hinder any young ones from coming up, ſo that in the courſe of a century or two the whole foreſt goes to ruin. The ſcarcity of wood then raiſes its price. It affords a good rent, and the landlord ſometimes finds that he can ſcarce employ his beſt lands more advantageouſly than in growing barren timber, of which the greatneſs of the profit often compenſates the lateneſs of the returns. This ſeems in the preſent times to be nearly the ſtate of things in ſeveral parts of Great Britain, where the profit of planting is found to be equal to that of either corn or paſture. The advantage which the landlord derives from planting, can no-where exceed, at leaſt for any conſiderable time, the rent which theſe could afford him, and in an inland country which is highly cultivated, it will frequently not fall much ſhort of this rent. Upon the ſea-coaſt of a well-improved country, indeed, if coals can conveniently be had for fuel, it may ſometimes be cheaper to bring barren timber for building from leſs cultivated foreign countries, than to raiſe it at home. In the new town of Edinburgh, built within theſe few years, there is not, perhaps, a ſingle ſtick of Scotch timber.

Whatever may be the price of wood, if that of coals is ſuch that the expenſe of a coal-fire is nearly equal to that of a wood one, we may be aſſured, that at that place, and in theſe

circumſtances, the price of coals is as high as it can be. It ſeems to be ſo in ſome of the inland parts of England, particularly in Oxfordſhire, where it is uſual, even in the fires of the common people, to mix coals and wood together, and where the difference in the expenſe of thoſe two ſorts of fuel cannot, therefore, be very great.

Coals, in the coal countries, are every-where much below this higheſt price. If they were not, they could not bear the expenſe of a diſtant carriage, either by land or by water. A ſmall quantity only could be ſold, and the coal maſters and coal proprietors find it more for their intereſt to ſell a great quantity at a price ſomewhat above the loweſt, than a ſmall quantity at the higheſt. The moſt fertile coal-mine too, regulates the price of coals at all the other mines in its neighbourhood. Both the proprietor and the undertaker of the work find, the one that he can get a greater rent, the other that he can get a greater profit, by ſomewhat underſelling all their neighbours. Their neighbours are ſoon obliged to ſell at the ſame price, though they cannot ſo well afford it, and though it always diminiſhes, and ſometimes takes away altogether both their rent and their profit. Some works are abandoned altogether; others can afford no rent, and can be wrought only by the proprietor.

The loweſt price at which coals can be ſold for any conſiderable time, is, like that of all other commodities, the price which is barely ſufficient

to replace, together with its ordinary profits, the ſtock which muſt be employed in bringing them to market. At a coal-mine for which the landlord can get no rent, but which he muſt either work himſelf or let it alone altogether, the price of coals muſt generally be nearly about this price.

Rent, even where coals afford one, has generally a ſmaller ſhare in their price than in that of moſt other parts of the rude produce of land. The rent of an eſtate above ground, commonly amounts to what is ſuppoſed to be a third of the groſs produce; and it is generally a rent certain and independent of the occaſional variations in the crop. In coal-mines a fifth of the groſs produce is a very great rent; a tenth the common rent, and it is ſeldom a rent certain, but depends upon the occaſional variations in the produce. Theſe are ſo great, that in a country where thirty years purchaſe is conſidered as a moderate price for the property of a landed eſtate, ten years purchaſe is regarded as a good price for that of a coal-mine.

The value of a coal-mine to the proprietor frequently depends as much upon its ſituation as upon its fertility. That of a metallic mine depends more upon its fertility, and leſs upon its ſituation. The coarſe, and ſtill more the precious metals, when ſeparated from the ore, are ſo valuable that they can generally bear the expenſe of a very long land, and of the moſt diſtant ſea carriage. Their market is not confined to the countries in the neighbourhood of

the mine, but extends to the whole world. The copper of Japan makes an article of commerce in Europe; the iron of Spain in that of Chili and Peru. The ſilver of Peru finds its way, not only to Europe, but from Europe to China.

The price of coals in Weſtmoreland or Shropſhire can have little effect on their price at Newcaſtle; and their price in the Lionnois can have none at all. The productions of ſuch diſtant coal-mines can never be brought into competition with one another. But the productions of the moſt diſtant metallic mines frequently may, and in fact commonly are. The price, therefore, of the coarſe, and ſtill more that of the precious metals, at the moſt fertile mines in the world, muſt neceſſarily more or leſs affect their price at every other in it. The price of copper in Japan muſt have ſome influence upon its price at the copper mines in Europe. The price of ſilver in Peru, or the quantity either of labor or of other goods which it will purchaſe there, muſt have ſome influence on its price, not only at the ſilver mines of Europe, but at thoſe of China. After the diſcovery of the mines of Peru, the ſilver mines of Europe were, the greater part of them, abandoned. The value of ſilver was ſo much reduced that their produce could no longer pay the expenſe of working them, or replace, with a profit, the food, cloaths, lodging and other neceſſaries which were conſumed in that operation. This was the caſe too with the mines of Cuba and St. Domingo, and

even with the ancient mines of Peru, after the diſcovery of thoſe of Potoſi.

The price of every metal at every mine, therefore, being regulated in ſome meaſure by its price at the moſt fertile mine in the world that is actually wrought, it can at the greater part of mines do very little more than pay the expenſe of working, and can ſeldom afford a very high rent to the landlord. Rent, accordingly, ſeems at the greater part of mines to have but a ſmall ſhare in the price of the coarſe, and a ſtill ſmaller in that of the precious metals. Labor and profit make up the greater part of both.

A ſixth part of the groſs produce may be reckoned the average rent of the tin mines of Cornwall, the moſt fertile that are known in the world, as we are told by the Reverend Mr. Borlace, vice-warden of the ſtannaries. Some, he ſays, afford more, and ſome do not afford ſo much. A ſixth part of the groſs produce is the rent too of ſeveral very fertile lead mines in Scotland.

In the ſilver mines of Peru, we are told by Frezier and Ulloa, the proprietor frequently exacts no other acknowledgment from the undertaker of the mine, but that he will grind the ore at his mill, paying him the ordinary multure or price of grinding. Till 1736, indeed, the tax of the king of Spain amounted to one-fifth of the ſtandard ſilver, which till then might be conſidered as the real rent of the greater part of the ſilver mines of Peru, the richeſt which have been known in the world. If there had been

no tax this fifth would naturally have belonged to the landlord, and many mines might have been wrought which could not then be wrought, becauſe they could not afford this tax. The tax of the duke of Cornwall upon tin is ſuppoſed to amount to more than five per cent. or one-twentieth part of the value; and whatever may be his proportion, it would naturally too belong to the proprietor of the mine, if tin was duty free. But if you add one-twentieth to one-ſixth, you will find that the whole average rent of the tin mines of Cornwall, was to the whole average rent of the ſilver mines of Peru, as thirteen to twelve. But the ſilver mines of Peru are not now able to pay even this low rent, and the tax upon ſilver was, in 1736, reduced from one-fifth to one-tenth. Even this tax upon ſilver too gives more temptation to ſmuggling than the tax of one-twentieth upon tin; and ſmuggling muſt be much eaſier in the precious than in the bulky commodity. The tax of the king of Spain accordingly is ſaid to be very ill paid, and that of the duke of Cornwall very well. Rent, therefore, it is probable, makes a greater part of the price of tin at the moſt fertile tin mines, than it does of ſilver at the moſt fertile ſilver mines in the world. After replacing the ſtock employed in working thoſe different mines, together with its ordinary profits, the reſidue which remains to the proprietor, is greater it ſeems in the coarſe, than in the precious metal.

Neither are the profits of the undertakers of ſilver mines commonly very great in Peru. The

ſame moſt reſpectable and well informed authors acquaint us, that when any perſon undertakes to work a new mine in Peru, he is univerſally looked upon as a man deſtined to bankruptcy and ruin, and is upon that account ſhunned and avoided by every body. Mining, it ſeems, is conſidered there in the ſame light as here, as a lottery, in which the prizes do not compenſate the blanks, though the greatneſs of ſome tempts many adventurers to throw away their fortunes in ſuch unproſperous projects.

As the ſovereign, however, derives a conſiderable part of his revenue from the produce of ſilver mines, the law in Peru gives every poſſible encouragement to the diſcovery and working of new ones. Whoever diſcovers a new mine, is entitled to meaſure off two hundred and forty-ſix feet in length, according to what he ſuppoſes to be the direction of the vein, and half as much in breadth. He becomes proprietor of this portion of the mine, and can work it without paying any acknowledgment to the landlord. The intereſt of the duke of Cornwall has given occaſion to a regulation nearly of the ſame kind in that ancient dutchy. In vaſte and unencloſed lands any perſon who diſcovers a tin mine, may mark out its limits to a certain extent, which is called bounding a mine. The bounder becomes the real proprietor of the mine, and may either work it himſelf, or give it in leaſe to another, without the conſent of the owner of the land, to whom, however, a very ſmall acknowledgment muſt be paid upon working it. In both regulations

the ſacred rights of private property are ſacrificed to the ſuppoſed intereſts of public revenue.

The ſame encouragement is given in Peru to the diſcovery and working of new gold mines; and in gold the king's tax amounts only to a twentieth part of the ſtandard metal. It was once a fifth, and afterwards a tenth, as in ſilver; but it was found that the work could not bear even the loweſt of theſe two taxes. If it is rare, however, ſay the ſame authors, Frezier and Ulloa, to find a perſon who has made his fortune by a ſilver, it is ſtill much rarer to find one who has done ſo by a gold mine. This twentieth part ſeems to be the whole rent which is paid by the greater part of the gold mines in Chili and Peru. Gold too is much more liable to be ſmuggled than even ſilver; not only on account of the ſuperior value of the metal in proportion to its bulk, but on account of the peculiar way in which nature produces it. Silver is very ſeldom found virgin, but, like moſt other metals, is generally mineralized with ſome other body; from which it is impoſſible to ſeparate it in ſuch quantities as will pay for the expenſe, but by a very laborious and tedious operation, which cannot well be carried on but in workhouſes erected for the purpoſe, and therefore expoſed to the inſpection of the king's officers. Gold, on the contrary, is almoſt always found virgin. It is ſometimes found in pieces of ſome bulk; and even when mixed in ſmall and almoſt inſenſible particles with ſand, earth, and other extraneous

bodies, it can be ſeparated from them by a very ſhort and ſimple operation, which can be carried on in any private houſe by any body who is poſſeſſed of a ſmall quantity of mercury. If the king's tax, therefore, is but ill paid upon ſilver, it is likely to be much worſe paid upon gold; and rent muſt make a much ſmaller part of the price of gold, than even of that of ſilver.

The loweſt price at which the precious metals can be ſold, or the ſmalleſt quantity of other goods for which they can be exchanged during any conſiderable time, is regulated by the ſame principles which fix the loweſt ordinary price of all other goods. The ſtock which muſt commonly be employed, the food, cloaths, and lodging which muſt commonly be conſumed in bringing them from the mine to the market, determine it. It muſt at leaſt be ſufficient to replace that ſtock, with the ordinary profits.

Their higheſt price, however, ſeems not to be neceſſarily determined by any thing but the actual ſcarcity or plenty of thoſe metals themſelves. It is not determined by that of any other commodity, in the ſame manner as the price of coals is by that of wood, beyond which no ſcarcity can ever raiſe it. Increaſe the ſcarcity of gold to a certain degree, and the ſmalleſt bit of it may become more precious than a diamond, and exchange for a greater quantity of other goods.

The demand for thoſe metals ariſes partly from their utility, and partly from their beauty. If you except iron, they are more uſeful than, perhaps, any other metal. As they are leſs liable

to ruſt and impurity, they can more eaſily be kept clean; and the uſtenſils either of the table or the kitchen are often upon that account more agreeable when made of them. A ſilver boiler is more cleanly than a lead, copper, or tin one; and the ſame quality would render a gold boiler ſtill better than a ſilver one. Their principal merit, however, ariſes from their beauty, which renders them peculiarly fit for the ornaments of dreſs and furniture. No paint or dye can give ſo ſplendid a color as gilding. The merit of their beauty is greatly enhanced by their ſcarcity. With the greater part of rich people, the chief enjoyment of riches conſiſts in the parade of riches, which in their eye is never ſo compleat as when they appear to poſſeſs thoſe deciſive marks of opulence which nobody can poſſeſs but themſelves. In their eyes the merit of an object which is in any degree either uſeful or beautiful, is greatly enhanced by its ſcarcity, or by the great labor which it requires to collect any conſiderable quantity of it, a labor which nobody can afford to pay but themſelves. Such objects they are willing to purchaſe at a higher price then things much more beautiful and uſeful, but more common. Theſe qualities of utility, beauty, and ſcarcity, are the original foundation of the high price of thoſe metals, or of the great quantity of other goods for which they can every-where be exchanged. This value was antecedent to and independent of their being employed as coin, and was the quality which fitted them for that employment. That

employment, however, by occafioning a new demand, and by diminifhing the quantity which could be employed in any other way, may have afterwards contributed to keep up or increafe their value.

The demand for the precious ftones arifes altogether from their beauty. They are of no ufe, but as ornaments; and the merit of their beauty is greatly enhanced by their fcarcity, or by the difficulty and expenfe of getting them from the mine. Wages and profit accordingly make up, upon moft occafions, almoft the whole of their high price. Rent comes in but for a very fmall fhare; frequently for no fhare; and the moft fertile mines only afford any confiderable rent. When Tavernier, a jeweller, vifited the diamond mines of Golconda and Vifiapour, he was informed that the fovereign of the country, for whofe benefit they were wrought, had ordered all of them to be fhut up, except thofe which yield the largeft and fineft ftones. The others, it feems, were to the proprietor not worth the working.

As the price both of the precious metals and of the precious ftones is regulated all over the world by their price at the moft fertile mine in it, the rent which a mine of either can afford to its proprietor is in proportion, not to its abfolute, but to what may be called its relative fertility, or to its fuperiority over other mines of the fame kind. If new mines were difcovered as much fuperior to thofe of Potofi as they were fuperior to thofe of Europe, the value of filver might be

ſo much degraded as to render even the mines of Potoſi not worth the working. Before the diſcovery of the Spaniſh Weſt-Indies, the moſt fertile mines in Europe may have afforded as great a rent to their proprietor as the richeſt mines in Peru do at preſent. Though the quantity of ſilver was much leſs, it might have exchanged for an equal quantity of other goods, and the proprietor's ſhare might have enabled him to purchaſe or command an equal quantity either of labor or of commodities. The value both of the produce and of the rent, the real revenue which they afforded both to the public and to the proprietor, might have been the ſame.

The moſt abundant mines either of the precious metals or of the precious ſtones could add little to the wealth of the world. A produce of which the value is principally derived from its ſcarcity, is neceſſarily degraded by its abundance. A ſervice of plate, and the other frivolous ornaments of dreſs and furniture, could be purchaſed for a ſmaller quantity of labor, or for a ſmaller quantity of commodities; and in this would conſiſt the ſole advantage which the world could derive from that abundance.

It is otherwiſe in eſtates above ground. The value both of their produce and of their rent is in proportion to their abſolute, and not to their relative fertility. The land which produces a certain quantity of food, cloaths, and lodging, can always feed, cloath, and lodge a certain number of people; and whatever may be the proportion of the landlord, it will always give

him a proportionable command of the labor of thofe people, and of the commodities with which that labor can fupply him. The value of the moft barren lands is not diminifhed by the neighbourhood of the moft fertile. On the contrary, it is generally increafed by it. The great number of people maintained by the fertile lands afford a market to many parts of the produce of the barren, which they could never have found among thofe whom their own produce could maintain.

Whatever increafes the fertility of land in producing food, increafes not only the value of the lands upon which the improvement is beftowed, but contributes likewife to increafe that of many other lands, by creating a new demand for their produce. That abundance of food, of which, in confequence of the improvement of land, many people have the difpofal beyond what they themfelves can confume, is the great caufe of the demand both for the precious metals and the precious ftones, as well as for every other conveniency and ornament of drefs; lodging, houfhold furniture, and equipage. Food not only conftitutes the principal part of the riches of the world, but it is the abundance of food which gives the principal part of their value to many other forts of riches. The poor inhabitants of Cuba and St. Domingo, when they were firft difcovered by the Spaniards, ufed to wear little bits of gold as ornaments in their hair and other parts of their drefs. They feemed to value them as we would do any little pebbles of

fomewhat

ſomewhat more than ordinary beauty, and to conſider them as juſt worth the picking up, but not worth the refuſing to any body who aſked them. They gave them to their new gueſts at the firſt requeſt, without ſeeming to think that they had made them any very valuable preſent. They were aſtoniſhed to obſerve the rage of the Spaniards to obtain them; and had no notion that there could any where be a country in which many people had the diſpoſal of ſo great a ſuperfluity of food, ſo ſcanty always among themſelves, that for a very ſmall quantity of thoſe glittering baubles they would willingly give as much as might maintain a whole family for many years. Could they have been made to underſtand this, the paſſion of the Spaniards would not have ſurpriſed them.

PART III.

Of the Variations in the Proportion between the reſpective Values of that Sort of Produce which always affords Rent, and of that which ſometimes does and ſometimes does not afford Rent.

THE increaſing abundance of food, in conſequence of increaſing improvement and cultivation, muſt neceſſarily increaſe the demand for every part of the produce of land which is not food, and which can be applied either to uſe or to ornament. In the whole progreſs of improvement, it might therefore be expected, there ſhould be only one

variation in the comparative values of thofe two different forts of produce. The value of that fort which fometimes does and fometimes does not afford rent, fhould conftantly rife in proportion to that which always affords fome rent. As art and induftry advance, the materials of cloathing and lodging, the ufeful foffils and minerals of the earth, the precious metals and the precious ftones fhould gradually come to be more and more in demand, fhould gradually exchange for a greater and a greater quantity of food, or in other words, fhould gradually become dearer and dearer. This accordingly has been the cafe with moft of thefe things upon moft occafions, and would have been the cafe with all of them upon all occafions, if particular accidents had not upon fome occafions increafed the fupply of fome of them in a ftill greater proportion than the demand.

The value of a free-ftone quarry, for example, will neceffarily increafe with the increafing improvement and population of the country round about it; efpecially if it fhould be the only one in the neighbourhood. But the value of a filver mine, even though there fhould not be another within a thoufand miles of it, will not neceffarily increafe with the improvement of the country in which it is fituated. The market for the produce of a free-ftone quarry can feldom extend more than a few miles round about it, and the demand muft generally be in proportion to the improvement and population of that fmall diftrict. But the market for the produce of a

ſilver mine may extend over the whole known world. Unleſs the world in general, therefore, be advancing in improvement and population, the demand for ſilver might not be at all increaſed by the improvement even of a large country in the neighbourhood of the mine. Even though the world in general were improving, yet, if, in the courſe of its improvement, new mines ſhould be diſcovered, much more fertile than any which had been known before, though the demand for ſilver would neceſſarily increaſe, yet the ſupply might increaſe in ſo much a greater proportion, that the real price of that metal might gradually fall; that is, any given quantity, a pound weight of it, for example, might gradually purchaſe or command a ſmaller and a ſmaller quantity of labor, or exchange for a ſmaller and a ſmaller quantity of corn, the principal part of the ſubſiſtence of the laborer.

The great market for ſilver is the commercial and civilized part of the world.

If by the general progreſs of improvement the demand of this market ſhould increaſe, while at the ſame time the ſupply did not increaſe in the ſame proportion, the value of ſilver would gradually riſe in proportion to that of corn. Any given quantity of ſilver would exchange for a greater and a greater quantity of corn; or, in other words, the average money price of corn would gradually become cheaper aud cheaper.

If, on the contrary, the ſupply by ſome accident ſhould increaſe for many years together in a

greater proportion than the demand, that metal would gradually become cheaper and cheaper; or, in other words, the average money price of corn would, in ſpite of all improvements, gradually become dearer and dearer.

But if, on the other hand, the ſupply of the metal ſhould increaſe nearly in the ſame proportion as the demand, it would continue to purchaſe or exchange for nearly the ſame quantity of corn, and the average money price of corn would, in ſpite of all improvements, continue very nearly the ſame.

Theſe three ſeem to exhauſt all the poſſible combinations of events which can happen in the progreſs of improvement; and during the courſe of the four centuries preceding the preſent, if we may judge by what has happened both in France and Great Britain, each of thoſe three different combinations ſeem to have taken place in the European market, and nearly in the ſame order too in which I have here ſet them down.

Digreſſion concerning the Variations in the Value of Silver during the Courſe of the Four laſt Centuries.

FIRST PERIOD.

IN 1350, and for ſome time before, the average price of the quarter of wheat in England ſeems not to have been eſtimated lower than four ounces of ſilver, Tower-weight, equal to about twenty ſhillings of our preſent money. From

this price it ſeems to have fallen gradually to two ounces of ſilver, equal to about ten ſhillings of our preſent money, the price at which we find it eſtimated in the beginning of the ſixteenth century, and at which it ſeems to have continued to be eſtimated till about 1570.

In 1350, being the 25th of Edward III, was enacted what is called, The ſtatute of laborers. In the preamble it complains much of the inſolence of ſervants, who endeavoured to raiſe their wages upon their maſters. It therefore ordains, that all ſervants and laborers ſhould for the future be contented with the ſame wages and liveries (liveries in thoſe times ſignified, not only cloaths, but proviſions) which they had been accuſtomed to receive in the 20th year of the king, and the four preceding years; that upon this account their livery wheat ſhould no-where be eſtimated higher than ten-pence a buſhel, and that it ſhould always be in the option of the maſter to deliver them either the wheat or the money. Ten-pence a buſhel, therefore, had, in the 25th of Edward III, been reckoned a very moderate price of wheat, ſince it required a particular ſtatute to oblige ſervants to accept of it in exchange for their uſual livery of proviſions; and it had been reckoned a reaſonable price ten years before that, or in the 16th year of the king, the term to which the ſtatute refers. But in the 16th year of Edward III, ten-pence contained about half an ounce of ſilver Tower-weight, and was nearly equal to half a crown of our preſent money. Four ounces of ſilver,

Tower-weight, therefore, equal to ſix ſhillings and eight-pence of the money of thoſe times, and to near twenty ſhillings of that of the preſent, muſt have been reckoned a moderate price for the quarter of eight buſhels.

This ſtatute is ſurely a better evidence of what was reckoned in thoſe times a moderate price of grain, than the prices of ſome particular years which have generally been recorded by hiſtorians and other writers on account of their extraordinary dearneſs or cheapneſs, and from which, therefore, it is difficult to form any judgment concerning what may have been the ordinary price. There are, beſides, other reaſons for believing that in the beginning of the fourteenth century, and for ſome time before, the common price of wheat was not leſs than four ounces of ſilver the quarter, and that of other grain in proportion.

In 1309, Ralph de Born, prior of St. Auguſtine's, Canterbury, gave a feaſt upon his inſtallation-day, of which William Thorn has preſerved, not only the bill of fare, but the prices of many particulars. In that feaſt were conſumed, 1ſt, fifty-three quarters of wheat, which coſt nineteen pounds, or ſeven ſhillings and two-pence a quarter, equal to about one-and-twenty ſhillings and ſix-pence of our preſent money: 2dly, Fifty eight quarters of malt, which coſt ſeventeen pounds ten ſhillings, or ſix ſhillings a quarter, equal to about eighteen ſhillings of our preſent money: 3dly, Twenty quarters of oats, which coſt four pounds, or four ſhillings a quarter,

equal to about twelve ſhillings of our preſent money. The prices of malt and oats ſeem here to be higher than their ordinary proportion to the price of wheat.

Theſe prices are not recorded on account of their extraordinary dearneſs or cheapneſs, but are mentioned accidentally as the prices actually paid for large quantities of grain conſumed at a feaſt which was famous for its magnificence.

In 1262, being the, 51ſt of Henry III, was revived an ancient ſtatute called, *The Aſſize of Bread and Ale*, which, the king ſays in the preamble, had been made in the times of his progenitors ſometime kings of England. It is probably, therefore, as old at leaſt as the time of his grandfather Henry II, and may have been as old as the conqueſt. It regulates the price of bread according as the prices of wheat may happen to be, from one ſhilling to twenty ſhillings the quarter of the money of thoſe times. But ſtatutes of this kind are generally preſumed to provide with equal care for all deviations from the middle price, for thoſe below it as well as for thoſe above it. Ten ſhillings, therefore, containing ſix ounces of ſilver, Tower-weight, and equal to about thirty ſhillings of our preſent money, muſt, upon this ſuppoſition, have been reckoned the middle price of the quarter of wheat when this ſtatute was firſt enacted, and muſt have continued to be ſo in the 51ſt of Henry III. We cannot therefore be very wrong in ſuppoſing that the middle price was not leſs than one-third of the higheſt price at which this

ſtatute regulates the price of bread, or than ſix ſhillings and eight pence of the money of thoſe times, containing four ounces of ſilver, Tower-weight.

From theſe different facts, therefore, we ſeem to have ſome reaſon to conclude, that about the middle of the fourteenth century, and for a conſiderable time before, the average or ordinary price of the quarter of wheat was not ſuppoſed to be leſs than four ounces of ſilver, Tower-weight.

From about the middle of the fourteenth to the beginning of the ſixteenth century, what was reckoned the reaſonable and moderate, that is the ordinary or average price of wheat, ſeems to have ſunk gradually to about one-half of this price; ſo as at laſt to have fallen to about two ounces of ſilver, Tower-weight, equal to about ten ſhillings of our preſent money. It continued to be eſtimated at this price till about 1570.

In the houſhold book of Henry, the fifth earl of Northumberland, drawn up in 1512, there are two different eſtimations of wheat. In one of them it is computed at ſix ſhillings and eight-pence the quarter, in the other at five ſhillings and eight-pence only. In 1512, ſix ſhillings and eight-pence contained only two ounces of ſilver, Tower-weight, and were equal to about ten ſhillings of our preſent money.

From the 25th of Edward III, to the beginning of the reign of Elizabeth, during the ſpace of more than two hundred years, ſix ſhillings and eight-pence, it appears from ſeveral different ſtatutes, had continued to be conſidered as what

is called the moderate and reafonable, that is the ordinary or average price of wheat. The quantity of filver, however, contained in that nominal fum was, during the courfe of this period, continually diminifhing, in confequence of fome alterations which were made in the coin. But the increafe of the value of filver had, it feems, fo far compenfated the diminution of the quantity of it contained in the fame nominal fum, that the legiflature did not think it worth while to attend to this circumftance.

Thus in 1436 it was enacted, that wheat might be exported without a licence when the price was fo low as fix fhillings and eight-pence: And in 1463 it was enacted, that no wheat fhould be imported if the price was not above fix fhillings and eight-pence the quarter. The legiflature had imagined, that when the price was fo low, there could be no inconveniency in exportation, but that when it rofe higher, it became prudent to allow of importation. Six fhillings and eight-pence, therefore, containing about the fame quantity of filver as thirteen fhillings and four-pence of our prefent money (one third part lefs than the fame nominal fum contained in the time of Edward III.), had in thofe times been confidered as what is called the moderate and reafonable price of wheat.

In 1554, by the 1ft and 2d of Philip and Mary; and in 1558, by the 1ft of Elizabeth, the exportation of wheat was in the fame manner prohibited, whenever the price of the quarter fhould exceed fix fhillings and eight-pence,

which did not then contain two penny worth more ſilver than the ſame nominal ſum does at preſent. But it had ſoon been found that to reſtrain the exportation of wheat till the price was ſo very low, was, in reality, to prohibit it altogether. In 1562, therefore, by the 5th of Elizabeth, the exportation of wheat was allowed from certain ports whenever the price of the quarter ſhould not exceed ten ſhillings, containing nearly the ſame quantity of ſilver as the like nominal ſum does at preſent. This price had at this time, therefore, been conſidered as what is called the moderate and reaſonable price of wheat. It agrees nearly with the eſtimation of the Northumberland book in 1512.

That in France the average price of grain was, in the ſame manner, much lower in the end of the fifteenth and beginning of the ſixteenth century, than in the two centuries preceding, has been obſerved both by Mr. Duprè de St. Maur, and by the elegant author of the eſſay on the police of grain. Its price, during the ſame period, had probably ſunk in the ſame manner through the greater part of Europe.

This riſe in the value of ſilver in proportion to that of corn, may either have been owing altogether to the increaſe of the demand for that metal, in conſequence of increaſing improvement and cultivation, the ſupply in the mean time continuing the ſame as before: Or the demand continuing the ſame as before, it may have been owing altogether to the gradual diminution of the ſupply; the greater part of the mines

which were then known in the world, being much exhaufted, and confequently the expenfe of working them much increafed: Or it may have been owing partly to the one and partly to the other of thofe two circumftances. In the end of the fifteenth and beginning of the fixteenth centuries, the greater part of Europe was approaching towards a more fettled form of government than it had enjoyed for feveral ages before. The increafe of fecurity would naturally increafe induftry and improvement; and the demand for the precious metals, as well as for every other luxury and ornament, would naturally increafe with the increafe of riches. A greater annual produce would require a greater quantity of coin to circulate it; and a greater number of rich people would require a greater quantity of plate and other ornaments of filver. It is natural to fuppofe too, that the greater part of the mines which then fupplied the European market with filver, might be a good deal exhaufted, and have become more expenfive in the working. They had been wrought many of them from the time of the Romans.

It has been the opinion, however, of the greater part of thofe who have written upon the prices of commodities in ancient times, that, from the Conqueft, perhaps from the invafion of Julius Cæfar till the difcovery of the mines of America, the value of the filver was continually diminifhing. This opinion they feem to have been led into, partly by the obfervations which they had occafion to make upon the prices both

of corn and of ſome other parts of the rude produce of land; and partly by the popular notion, that as the quantity of ſilver naturally increaſes in every country with the increaſe of wealth, ſo its value diminiſhes as its quantity increaſes.

In their obſervations upon the prices of corn, three different circumſtances ſeem frequently to have miſled them.

Firſt, In ancient times almoſt all rents were paid in kind; in a certain quantity of corn, cattle, poultry, &c. It ſometimes happened, however, that the landlord would ſtipulate, that he ſhould be at liberty to demand of the tenant, either the annual payment in kind, or a certain ſum of money inſtead of it. The price at which the payment in kind was in this manner exchanged for a certain ſum of money, is in Scotland called the converſion price. As the option is always in the landlord to take either the ſubſtance or the price, it is neceſſary for the ſafety of the tenant, that the converſion price ſhould rather be below than above the average market price. In many places, accordingly, it is not much above one-half of this price. Through the greater part of Scotland this cuſtom ſtill continues with regard to poultry, and in ſome places with regard to cattle. It might probably have continued to take place too with regard to corn, had not the inſtitution of the public fiars put an end to it. Theſe are annual valuations, according to the judgment of an aſſize, of the average price of all the different ſorts of grain, and of all the different qualities of each, according

to the actual market price in every different county. This inftitution rendered it fufficiently fafe for the tenant, and much more convenient for the landlord, to convert, as they call it, the corn rent, rather at what fhould happen to be the price of the fiars of each year, than at any certain fixed price. But the writers who have collected the prices of corn in ancient times, feem frequently to have miftaken what is called in Scotland the converfion price for the actual market price. Fleetwood acknowledges, upon one occafion, that he had made this miftake. As he wrote his book, however, for a particular purpofe, he does not think proper to make this acknowledgment till after tranfcribing this converfion price fifteen times. The price is eight fhillings the quarter of wheat. This fum in 1423, the year at which he begins with it, contained the fame quantity of filver as fixteen fhillings of our prefent money. But in 1562, the year at which he ends with it, it contained no more than the fame nominal fum does at prefent.

Secondly, They have been mifled by the flovenly manner in which fome ancient ftatutes of affize had been fometimes tranfcribed by lazy copiers; and fometimes perhaps actually compofed by the legiflature.

The ancient ftatutes of affize feem to have begun always with determining what ought to be the price of bread and ale when the price of wheat and barley were at the loweft, and to have proceeded gradually to determine what it ought

to be, according as the prices of thofe two forts of grain fhould gradually rife above this loweft price. But the tranfcribers of thofe ftatutes feem frequently to have thought it fufficient, to copy the regulation as far as the three or four firft and loweft prices ; faving in this manner their own labor, and judging, I fuppofe, that this was enough to fhow what proportion ought to be obferved in all higher prices.

Thus in the affize of bread and ale, of the 51ft of Henry III, the price of bread was regulated according to the different prices of wheat, from one fhilling to twenty fhillings the quarter, of the money of thofe times. But in the manufcripts from which all the different editions of the ftatutes, preceding that of Mr. Ruffhead, were printed, the copiers had never tranfcribed this regulation beyond the price of twelve fhillings. Several writers, therefore, being mifled by this faulty tranfcription, very naturally concluded that the middle price, or fix fhillings the quarter, equal to about eighteen fhillings of our prefent money, was the ordinary or average price of wheat at that time.

In the ftatute of Tumbrel and Pillory, enacted nearly about the fame time, the price of ale is regulated according to every fixpence rife in the price of barley, from two fhillings to four fhillings the quarter. That four fhillings, however, was not confidered as the higheft price to which barley might frequently rife in thofe times, and that thefe prices were only given as an example of the proportion which ought to be obferved in

all other prices, whether higher or lower, we may infer from the laſt words of the ſtatute ; "et ſic "deinceps creſcetur vel diminuetur per ſex de-"narios." The expreſſion is very ſlovenly, but the meaning is plain enough ; "That the price "of ale is in this manner to be increaſed or di-"miniſhed according to every ſixpence riſe or "fall in the price of barley." In the compoſition of this ſtatute the legiſlature itſelf ſeems to have been as negligent as the copiers were in the tranſcription of the other.

In an ancient manuſcript of the Regiam Majeſtatem, an old Scotch law book, there is a ſtatute of aſſize, in which the price of bread is regulated according to all the different prices of wheat, from ten-pence to three ſhillings the Scotch boll, equal to about half an Engliſh quarter. Three ſhillings Scotch, at the time when this aſſize is ſuppoſed to have been enacted, were equal to about nine ſhillings ſterling of our preſent money. Mr. Ruddiman ſeems * to conclude from this, that three ſhillings was the higheſt price to which wheat ever roſe in thoſe times, and that ten-pence, a ſhilling, or at moſt two ſhillings, were the ordinary prices. Upon conſulting the manuſcript, however, it appears evidently, that all theſe prices are only ſet down as examples of the proportion which ought to be obſerved between the reſpective prices of wheat and bread. The laſt words of the ſtatute are, "reliqua "judicabis ſecundum præſcripta habendo reſpectum

* See his preface to Anderſon's Diplomata Scotiæ.

"ad pretium bladi." "You ſhall judge of the "remaining caſes according to what is above "written having a reſpect to the price of corn."

Thirdly, They ſeem to have been miſled too by the very low price at which wheat was ſometimes ſold in very ancient times; and to have imagined, that as its loweſt price was then much lower than in later times, its ordinary price muſt likewiſe have been much lower. They might have found, however, that in thoſe ancient times, its higheſt price was fully as much above, as its loweſt price was below any thing that had ever been known in later times. Thus in 1270, Fleetwood gives us two prices of the quarter of wheat. The one is four pounds ſixteen ſhillings of the money of thoſe times, equal to fourteen pounds eight ſhillings of that of the preſent; the other is ſix pounds eight ſhillings, equal to nineteen pounds four ſhillings of our preſent money. No price can be found in the end of the fifteenth, or beginning of the ſixteenth century, which approaches to the extravagance of theſe. The price of corn, though at all times liable to variation, varies moſt in thoſe turbulent and diſorderly ſocieties, in which the interruption of all commerce and communication hinders the plenty of one part of the country from relieving the ſcarcity of another. In the diſorderly ſtate of England under the Plantagenets, who governed it from about the middle of the twelfth, till towards the end of the fifteenth century, one diſtrict might be in plenty, while another at no great diſtance, by having its crop deſtroyed

either

either by ſome accident of the ſeaſons, or by the incurſion of ſome neighbouring baron, might be ſuffering all the horrors of a famine; and yet if the lands of ſome hoſtile lord were interpoſed between them, the one might not be able to give the leaſt aſſiſtance to the other. Under the vigorous adminiſtration of the Tudors, who governed England during the latter part of the fifteenth, and through the whole of the ſixteenth century, no baron was powerful enough to dare to diſturb the public ſecurity.

The reader will find at the end of this chapter all the prices of wheat which have been collected by Fleetwood from 1202 to 1597, both incluſive, reduced to the money of the preſent times, and digeſted according to the order of time, into ſeven diviſions of twelve years each. At the end of each diviſion too, he will find the average price of the twelve years of which it conſiſts. In that long period of time, Fleetwood has been able to collect the prices of no more than eighty years, ſo that four years are wanting to make out the laſt twelve years. I have added, therefore, from the accounts of Eton college, the prices of 1598, 1599, 1600, and 1601. It is the only addition which I have made. The reader will ſee, that from the beginning of the thirteenth, till after the middle of the ſixteenth century, the average price of each twelve years grows gradually lower and lower; and that towards the end of the ſixteenth century it begins to riſe again. The prices, indeed, which Fleetwood has been able to collect, ſeem to have been thoſe

chiefly which were remarkable for extraordinary dearneſs or cheapneſs; and I do not pretend that any very certain concluſion can be drawn from them. So far, however, as they prove any thing at all, they confirm the account which I have been endeavouring to give. Fleetwood himſelf, however, ſeems, with moſt others writers, to have believed, that during all this period the value of ſilver, in conſequence of its increaſing abundance, was continually diminiſhing. The prices of corn which he himſelf has collected, certainly do not agree with this opinion. They agree perfectly with that of Mr. Duprè de St. Maur, and with that which I have been endeavouring to explain. Biſhop Fleetwood and Mr. Duprè de St. Maur are the two authors who ſeem to have collected, with the greateſt diligence and fidelity, the prices of things in ancient times. It is ſomewhat curious that, though their opinions are ſo very different, their facts, ſo far as they relate to the price of corn at leaſt, ſhould coincide ſo very exactly.

It is not, however, ſo much from the low price of corn, as from that of ſome other parts of the rude produce of land, that the moſt judicious writers have inferred the great value of ſilver in thoſe very ancient times. Corn, it has been ſaid, being a ſort of manufacture, was, in thoſe rude ages, much dearer in proportion than the greater part of other commodities; it is meant, I ſuppoſe, than the greater part of unmanufactured commodities; ſuch as cattle, poultry, game of all kinds, &c. That in thoſe times of poverty and barbariſm theſe were

proportionably much cheaper than corn, is undoubtedly true. But this cheapneſs was not the effect of the high value of ſilver, but of the low value of thoſe commodities. It was not becauſe ſilver would in ſuch times purchaſe or repreſent a greater quantity of labor, but becauſe ſuch commodities would purchaſe or repreſent a much ſmaller quantity than in times of more opulence and improvement. Silver muſt certainly be cheaper in Spaniſh-America than in Europe; in the country where it is produced, than in the country to which it is brought, at the expenſe of a long carriage both by land and by ſea, of a freight and an inſurance. One-and-twenty pence halfpenny ſterling, however, we are told by Ulloa, was, not many years ago, at Buenos Ayres, the price of an ox choſen from a herd of three or four hundred. Sixteen ſhillings ſterling, we are told by Mr. Byron, was the price of a good horſe in the capital of Chili. In a country naturally fertile, but of which the far greater part is altogether uncultivated, cattle, poultry, game of all kinds, &c. as they can be acquired with a very ſmall quantity of labor, ſo they will purchaſe or command but a very ſmall quantity. The low money price for which they may be ſold, is no proof that the real value of ſilver is there very high; but that the real value of thoſe commodities is very low.

Labor, it muſt always be remembered, and not any particular commodity or ſet of commodities, is the real meaſure of the value both of ſilver and of all other commodities.

But in countries almoſt waſte, or but thinly inhabited, cattle, poultry, game of all kinds, &c. as they are the ſpontaneous productions of nature, ſo ſhe frequently produces them in much greater quantities than the conſumption of the inhabitants requires. In ſuch a ſtate of things the ſupply commonly exceeds the demand. In different ſtates of ſociety, in different ſtages of improvement, therefore, ſuch commodities will repreſent, or be equivalent to, very different quantities of labor.

In every ſtate of ſociety, in every ſtage of improvement, corn is the production of human induſtry. But the average produce of every ſort of induſtry is always ſuited, more or leſs exactly, to the average conſumption; the average ſupply to the average demand. In every different ſtage of improvement, beſides, the raiſing of equal quantities of corn in the ſame ſoil and climate, will, at an average, require nearly equal quantities of labor; or what comes to the ſame thing, the price of nearly equal quantities; the continual increaſe of the productive powers of labor in an improving ſtate of cultivation, being more or leſs counterbalanced by the continually increaſing price of cattle, the principal inſtruments of agriculture. Upon all theſe accounts, therefore, we may reſt aſſured, that equal quantities of corn will, in every ſtate of ſociety, in every ſtage of improvement, more nearly repreſent, or be equivalent to, equal quantities of labor, than equal quantities of any other part of the rude produce of land. Corn, accordingly, it has already been obſerved, is, in

all the different ſtages of wealth and improvement, a more accurate meaſure of value than any other commodity or ſet of commodities. In all thoſe different ſtages, therefore, we can judge better of the real value of ſilver, by comparing it with corn, than by comparing it with any other commodity, or ſet of commodities.

Corn, beſides, or whatever elſe is the common and favorite vegetable food of the people, conſtitutes, in every civilized country, the principal part of the ſubſiſtence of the laborer. In conſequence of the extenſion of agriculture, the land of every country produces a much greater quantity of vegetable than of animal food, and the laborer every-where lives chiefly upon the wholeſome food that is cheapeſt and moſt abundant. Butcher's-meat, except in the moſt thriving countries, or where labor is moſt highly rewarded, makes but an inſignificant part of his ſubſiſtence; poultry makes a ſtill ſmaller part of it, and game no part of it. In France, and even in Scotland, where labor is ſomewhat better rewarded than in France, the laboring poor ſeldom eat butcher's-meat, except upon holidays, and other extraordinary occaſions. The money price of labor, therefore, depends much more upon the average money price of corn, the ſubſiſtence of the laborer, than upon that of butcher's-meat, or of any other part of the rude produce of land. The real value of gold and ſilver, therefore, the real quantity of labor which they can purchaſe or command, depends much more upon the quantity of corn which they

can purchaſe or command, than upon that of butcher's-meat, or any other part of the rude produce of land.

Such ſlight obſervations, however, upon the prices either of corn or of other commodities, would not probably have miſled ſo many intelligent authors, had they not been influenced, at the ſame time, by the popular notion, that as the quantity of ſilver naturally increaſes in every country with the increaſe of wealth, ſo its value diminiſhes as its quantity increaſes. This notion, however, ſeems to be altogether groundleſs.

The quantity of the precious metals may increaſe in any country from two different cauſes: either, firſt, from the increaſed abundance of the mines which ſupply it; or, ſecondly, from the increaſed wealth of the people, from the increaſed produce of their annual labor. The firſt of theſe cauſes is no doubt neceſſarily connected with the diminution of the value of the precious metals; but the ſecond is not.

When more abundant mines are diſcovered, a greater quantity of the precious metals is brought to market, and the quantity of the neceſſaries and conveniencies of life for which they muſt be exchanged being the ſame as before, equal quantities of the metals muſt be exchanged for ſmaller quantities of commodities. So far, therefore, as the increaſe of the quantity of the precious metals in any country ariſes from the increaſed abundance of the mines, it is neceſſarily connected with ſome diminution of their value.

When, on the contrary, the wealth of any country increaſes, when the annual produce of

its labor becomes gradually greater and greater, a greater quantity of coin becomes neceſſary in order to circulate a greater quantity of commodities; and the people, as they can afford it, as they have more commodities to give for it, will naturally purchaſe a greater and a greater quantity of plate. The quantity of their coin will increaſe from neceſſity; the quantity of their plate from vanity and oſtentation, or from the ſame reaſon that the quantity of fine ſtatues, pictures, and of every other luxury and curioſity, is likely to increaſe among them. But as ſtatuaries and painters are not likely to be worſe rewarded in times of wealth and proſperity, than in times of poverty and depreſſion, ſo gold and ſilver are not likely to be worſe paid for.

The price of gold and ſilver, when the accidental diſcovery of more abundant mines does not keep it down, as it naturally riſes with the wealth of every country, ſo, whatever be the ſtate of the mines, it is at all times naturally higher in a rich than in a poor country. Gold and ſilver, like all other commodities, naturally ſeek the market where the beſt price is given for them, and the beſt price is commonly given for every thing in the country which can beſt afford it. Labor, it muſt be remembered, is the ultimate price which is paid for every thing, and in countries where labor is equally well rewarded, the money price of labor will be in proportion to that of the ſubſiſtence of the laborer. But gold and ſilver will naturally exchange for a greater quantity of ſubſiſtence in a rich than in a

poor country, in a country which abounds with ſubſiſtence, than in one which is but indifferently ſupplied with it. If the two countries are at a great diſtance, the difference may be very great; becauſe though the metals naturally fly from the worſe to the better market, yet it may be difficult to tranſport them in ſuch quantities as to bring their price nearly to a level in both. If the countries are near, the difference will be ſmaller, and may ſometimes be ſcarce perceptible; becauſe in this caſe the tranſportation will be eaſy. China is a much richer country than any part of Europe, and the difference between the price of ſubſiſtence in China and in Europe is very great. Rice in China is much cheaper than wheat is any-where in Europe. England is a much richer country than Scotland; but the difference between the money-price of corn in thoſe two countries is much ſmaller, and is but juſt perceptible. In proportion to the quantity or meaſure, Scotch corn generally appears to be a good deal cheaper than Engliſh; but in proportion to its quality, it is certainly ſomewhat dearer. Scotland receives almoſt every year very large ſupplies from England, and every commodity muſt commonly be ſomewhat dearer in the country to which it is brought than in that from which it comes. Engliſh corn, therefore, muſt be dearer in Scotland than in England, and yet in proportion to its quality, or to the quantity and goodneſs of the flour or meal which can be made from it, it cannot commonly be ſold higher there than the

Scotch corn which comes to market in competition with it.

The difference between the money price of labor in China and in Europe, is ſtill greater than that between the money price of ſubſiſtence; becauſe the real recompence of labor is higher in Europe than in China, the greater part of Europe being in an improving ſtate, while China ſeems to be ſtanding ſtill. The money price of labor is lower in Scotland than in England, becauſe the real recompence of labor is much lower; Scotland, though advancing to greater wealth, advancing much more ſlowly than England. The frequency of emigration from Scotland, and the rarity of it from England, ſufficiently prove that the demand for labor is very different in the two countries. The proportion between the real recompence of labor in different countries, it muſt be remembered, is naturally regulated, not by their actual wealth or poverty, but by their advancing, ſtationary, or declining condition.

Gold and ſilver, as they are naturally of the greateſt value among the richeſt, ſo they are naturally of the leaſt value among the pooreſt nations. Among ſavages, the pooreſt of all nations, they are of ſcarce any value.

In great towns corn is always dearer than in remote parts of the country. This, however, is the effect, not of the real cheapneſs of ſilver, but of the real dearneſs of corn. It does not coſt leſs labor to bring ſilver to the great town than to the remote parts of the country; but it coſts a great deal more to bring corn.

In ſome very rich and commercial countries, ſuch as Holland and the territory of Genoa, corn is dear for the ſame reaſon that it is dear in great towns. They do not produce enough to maintain their inhabitants. They are rich in the induſtry and ſkill of their artificers and manufacturers; in every ſort of machinery which can facilitate and abridge labor; in ſhipping, and in all the other inſtruments and means of carriage and commerce: but they are poor in corn, which, as it muſt be brought to them from diſtant countries, muſt, by an addition to its price, pay for the carriage from thoſe countries. It does not coſt leſs labor to bring ſilver to Amſterdam than to Dantzick; but it coſts a great deal more to bring corn. The real coſt of ſilver muſt be nearly the ſame in both places; but that of corn muſt be very different. Diminiſh the real opulence either of Holland or of the territory of Genoa, while the number of their inhabitants remains the ſame: diminiſh their power of ſupplying themſelves from diſtant countries; and the price of corn, inſtead of ſinking with that diminution in the quantity of their ſilver, which muſt neceſſarily accompany this declenſion either as its cauſe or as its effect, will riſe to the price of a famine. When we are in want of neceſſaries we muſt part with all ſuperfluities, of which the value, as it riſes in times of opulence and proſperity, ſo it ſinks in times of poverty and diſtreſs. It is otherwiſe with neceſſaries. Their real price, the quantity of labor which they can purchaſe or command, riſes in times of poverty and diſtreſs, and ſinks in times of opulence and

prosperity, which are always times of great abundance; for they could not otherwise be times of opulence and prosperity. Corn is a necessary, silver is only a superfluity.

Whatever, therefore, may have been the increase in the quantity of the precious metals, which, during the period between the middle of the fourteenth and that of the sixteenth century, arose from the increase of wealth and improvement, it could have no tendency to diminish their value either in Great Britain, or in any other part of Europe. If those who have collected the prices of things in ancient times, therefore, had, during this period, no reason to infer the diminution of the value of silver, from any observations which they had made upon the prices either of corn or of other commodities, they had still less reason to infer it from any supposed increase of wealth and improvement.

SECOND PERIOD.

BUT how various soever may have been the opinions of the learned concerning the progress of the value of silver during this first period, they are unanimous concerning it during the second.

From about 1570 to about 1640, during a period of about seventy years the variation in the proportion between the value of silver and that of corn, held a quite opposite course. Silver

ſunk in its real value, or would exchange for a ſmaller quantity of labor than before; and corn roſe in its nominal price, and inſtead of being commonly ſold for about two ounces of ſilver the quarter, or about ten ſhillings of our preſent money, came to be ſold for ſix and eight ounces of ſilver the quarter, or about thirty and forty ſhillings of our preſent money.

The diſcovery of the abundant mines of America, ſeems to have been the ſole cauſe of this diminution in the value of ſilver in proportion to that of corn. It is accounted for accordingly in the ſame manner by every body; and there never has been any diſpute either about the fact, or about the cauſe of it. The greater part of Europe was, during this period, advancing in induſtry and improvement, and the demand for ſilver muſt conſequently have been increaſing. But the increaſe of the ſupply had, it ſeems, ſo far exceeded that of the demand, that the value of that metal ſunk conſiderably. The diſcovery of the mines of America, it is to be obſerved, does not ſeem to have had any very ſenſible effect upon the prices of things in England till after 1570; though even the mines of Potoſi had been diſcovered more than twenty years before.

From 1595 to 1620, both incluſive, the average price of the quarter of nine buſhels of the beſt wheat at Windſor market, appears from the accounts of Eton College, to have been 2*l.* 1*s.* 6*d.* $\frac{9}{13}$ From which ſum, neglecting the fraction, and deducting a ninth, or 4*s.* 7*d.* $\frac{1}{3}$,

the price of the quarter of eight bushels comes out to have been 1 *l.* 16 *s.* 10 *d.* $\frac{2}{3}$. And from this sum, neglecting likewise the fraction, and deducting a ninth, or 4 *s.* 1 *d.* $\frac{1}{9}$, for the difference between the price of the best wheat and that of the middle wheat, the price of the middle wheat comes out to have been about 1 *l.* 12 *s.* 8 *d.* $\frac{8}{9}$, or about six ounces and one third of an ounce of silver.

From 1621 to 1636, both inclusive, the average price of the same measure of the best wheat at the same market, appears, from the same accounts, to have been 2 *l.* 10 *s.*; from which making the like deductions as in the foregoing case, the average price of the quarter of eight bushels of middle wheat comes out to have been 1 *l.* 19 *s.* 6 *d.* or about seven ounces and two-thirds of an ounce of silver.

THIRD PERIOD.

BETWEEN 1630 and 1640, or about 1636, the effect of the discovery of the mines of America in reducing the value of silver, appears to have been compleated, and the value of that metal seems never to have sunk lower in proportion to that of corn than it was about that time. It seems to have risen somewhat in the course of the present century, and it had probably begun to do so even some time before the end of the last.

From 1637 to 1700, both inclusive, being the sixty-four last years of the last century, the average

price of the quarter of nine buſhels of the beſt wheat at Windſor market, appears, from the ſame accounts, to have been 2*l.* 11*s.* 0*d.* $\frac{1}{3}$; which is only 1*s.* 0*d.* $\frac{1}{3}$ dearer than it had been during the ſixteen years before. But in the courſe of theſe ſixty-four years there happened two events which muſt have produced a much greater ſcarcity of corn than what the courſe of the ſeaſons would otherwiſe have occaſioned, and which, therefore, without ſuppoſing any further reduction in the value of ſilver, will much more than account for this very ſmall enhancement of price.

The firſt of theſe events was the civil war, which, by diſcouraging tillage and interrupting commerce, muſt have raiſed the price of corn much above what the courſe of the ſeaſons would otherwiſe have occaſioned. It muſt have had this effect more or leſs at all the different markets in the kingdom, but particularly at thoſe in the neighbourhood of London, which require to be ſupplied from the greateſt diſtance. In 1648, accordingly, the price of the beſt wheat at Windſor market, appears, from the ſame accounts, to have been 4*l.* 5*s.* and in 1649 to have been 4*l.* the quarter of nine buſhels. The exceſs of thoſe two years above 2*l.* 10*s.* (the average price of the ſixteen years preceding 1637) is 3*l.* 5*s.*; which divided among the ſixty-four laſt years of the laſt century, will alone very nearly account for that ſmall enhancement of price which ſeems to have taken place in them. Theſe, however, though the higheſt, are by no

means the only high prices which ſeem to have been occaſioned by the civil wars.

The ſecond event was the bounty upon the exportation of corn, granted in 1688. The bounty, it has been thought by many people, by encouraging tillage, may, in a long courſe of years, have occaſioned a greater abundance, and conſequently a greater cheapneſs of corn in the home-market, than what would otherwiſe have taken place there. How far the bounty could produce this effect at any time I ſhall examine hereafter; I ſhall only obſerve at preſent, that between 1688 and 1700, it had not time to produce any ſuch effect. During this ſhort period its only effect muſt have been, by encouraging the exportation of the ſurplus produce of every year, and thereby hindering the abundance of one year from compenſating the ſcarcity of another, to raiſe the price in the home-market. The ſcarcity which prevailed in England from 1693 to 1699, both incluſive, though no doubt principally owing to the badneſs of the ſeaſons, and, therefore, extending through a conſiderable part of Europe, muſt have been ſomewhat enhanced by the bounty. In 1699, accordingly, the further exportation of corn was prohibited for nine months.

There was a third event which occurred in the courſe of the ſame period, and which, though it could not occaſion any ſcarcity of corn, nor, perhaps, any augmentation in the real quantity of ſilver which was uſually paid for it, muſt neceſſarily have occaſioned ſome augmentation in

the nominal ſum. This event was the great debaſement of the ſilver coin, by clipping and wearing. This evil had begun in the reign of Charles II. and had gone on continually increaſing till 1695; at which time, as we may learn from Mr. Lowndes, the current ſilver coin was, at an average, near five-and-twenty per cent, below its ſtandard value. But the nominal ſum which conſtitutes the market-price of every commodity is neceſſarily regulated, not ſo much by the quantity of ſilver, which, according to the ſtandard, ought to be contained in it, as by that which, it is found by experience, actually is contained in it. This nominal ſum, therefore, is neceſſarily higher when the coin is much debaſed by clipping and wearing, than when near to its ſtandard value.

In the courſe of the preſent century, the ſilver coin has not at any time been more below its ſtandard weight than it is at preſent. But though very much defaced, its value has been kept up by that of the gold coin for which it is exchanged. For though before the late re-coinage, the gold coin was a good deal defaced too, it was leſs ſo than the ſilver. In 1695, on the contrary, the value of the ſilver coin was not kept up by the gold coin; a guinea then commonly exchanging for thirty ſhillings of the worn and clipt ſilver. Before the late re-coinage of the gold, the price of ſilver bullion was ſeldom higher than five ſhillings and ſeven-pence an ounce, which is but five-pence above the mint price. But in 1695, the common price of ſilver bullion was ſix

ſhillings

ſhillings and five-pence an ounce*, which is fifteen-pence above the mint price. Even before the late re-coinage of the gold, therefore, the coin, gold and ſilver together, when compared with ſilver bullion, was not ſuppoſed to be more than eight per cent. below its ſtandard value. In 1695, on the contrary, it had been ſuppoſed to be near five-and-twenty per cent. below that value. But in the beginning of the preſent century, that is, immediately after the great recoinage in King William's time, the greater part of the current ſilver coin muſt have been ſtill nearer to its ſtandard weight than it is at preſent. In the courſe of the preſent century too there has been no great public calamity, ſuch as the civil war, which could either diſcourage tillage, or interrupt the interior commerce of the country. And though the bounty, which has taken place through the greater part of this century, muſt always raiſe the price of corn ſomewhat higher than it otherwiſe would be in the actual ſtate of tillage; yet as, in the courſe of this century, the bounty has had full time to produce all the good effects commonly imputed to it, to encourage tillage, and thereby to increaſe the quantity of corn in the home market, it may, upon the principles of a ſyſtem which I ſhall explain and examine hereafter, be ſuppoſed to have done ſomething to lower the price of that commodity the one way, as well as to raiſe it the other. It is by many people ſuppoſed to have done more.

* Lowndes's Eſſay on the Silver Coin, p. 68.

In the ſixty-four firſt years of the preſent century accordingly, the average price of the quarter of nine buſhels of the beſt wheat at Windſor market, appears, by the accounts of Eton College, to have been 2 *l.* 0 *s.* 6 *d.* $\frac{19}{32}$, which is about ten ſhillings and ſixpence, or more than five-and-twenty per cent. cheaper than it had been during the ſixty-four laſt years of the laſt century; and about nine ſhillings and ſix-pence cheaper than it had been during the ſixteen years preceding 1636, when the diſcovery of the abundant mines of America may be ſuppoſed to have produced its full effect; and about one ſhilling cheaper than it had been in the twenty-ſix years preceding 1620, before that diſcovery can well be ſuppoſed to have produced its full effect. According to this account, the average price of middle wheat, during theſe ſixty-four firſt years of the preſent century, comes out to have been about thirty-two ſhillings the quarter of eight buſhels.

The value of ſilver, therefore, ſeems to have riſen ſomewhat in proportion to that of corn during the courſe of the preſent century, and it had probably begun to do ſo even ſome time before the end of the laſt.

In 1687, the price of the quarter of nine buſhels of the beſt wheat at Windſor market was 1 *l.* 5 *s.* 2 *d.* the loweſt price at which it had ever been from 1595.

In 1688, Mr. Gregory King, a man famous for his knowledge in matters of this kind, eſtimated the average price of wheat in years of moderate

plenty to be to the grower 3 *s.* 6 *d.* the buſhel, or eight-and-twenty ſhillings the quarter. The grower's price I underſtand to be the ſame with what is ſometimes called the contract price, or the price at which a farmer contracts for a certain number of years to deliver a certain quantity of corn to a dealer. As a contract of this kind ſaves the farmer the expenſe and trouble of marketing, the contract price is generally lower than what is ſuppoſed to be the average market price. Mr. King had judged eight-and-twenty ſhillings the quarter to be at that time the ordinary contract price in years of moderate plenty. Before the ſcarcity occaſioned by the late extraordinary courſe of bad ſeaſons, it was, I have been aſſured, the ordinary contract price in all common years.

In 1688 was granted the parliamentary bounty upon the exportation of corn. The country gentlemen, who then compoſed a ſtill greater proportion of the legiſlature than they do at preſent, had felt that the money price of corn was falling. The bounty was an expedient to raiſe it artificially to the high price at which it had frequently been ſold in the times of Charles I. and II. It was to take place, therefore, till wheat was ſo high as forty-eight ſhillings the quarter; that is twenty ſhillings, or $\frac{5}{7}$ths dearer than Mr. King had in that very year eſtimated the grower's price to be in times of moderate plenty. If his calculations deſerve any part of the reputation which they have obtained very univerſally, eight-and-forty ſhillings the quarter was a price which,

without ſome ſuch expedient as the bounty, could not at that time be expected, except in years of extraordinary ſcarcity. But the government of King William was not then fully ſettled. It was in no condition to refuſe any thing to the country gentlemen, from whom it was at that very time ſoliciting the firſt eſtabliſhment of the annual land-tax.

The value of ſilver, therefore, in proportion to that of corn, had probably riſen ſomewhat before the end of the laſt century; and it ſeems to have continued to do ſo during the courſe of the greater part of the preſent; though the neceſſary operation of the bounty muſt have hindered that riſe from being ſo ſenſible as it otherwiſe would have been in the actual ſtate of tillage.

In plentiful years the bounty, by occaſioning an extraordinary exportation, neceſſarily raiſes the price of corn above what it otherwiſe would be in thoſe years. To encourage tillage, by keeping up the price of corn even in the moſt plentiful years, was the avowed end of the inſtitution.

In years of great ſcarcity, indeed, the bounty has generally been ſuſpended. It muſt, however, have had ſome effect even upon the prices of many of thoſe years. By the extraordinary exportation which it occaſions in years of plenty, it muſt frequently hinder the plenty of one year from compenſating the ſcarcity of another.

Both in years of plenty and in years of ſcarcity, therefore, the bounty raiſes the price of corn above what it naturally would be in the actual ſtate of

tillage. If, during the ſixty-four firſt years of the preſent century, therefore, the average price has been lower than during the ſixty-four laſt years of the laſt century, it muſt, in the ſame ſtate of tillage, have been much more ſo, had it not been for this operation of the bounty.

But without the bounty, it may be ſaid, the ſtate of tillage would not have been the ſame. What may have been the effects of this inſtitution upon the agriculture of the country, I ſhall endeavour to explain hereafter, when I come to treat particularly of bounties. I ſhall only obſerve at preſent, that this riſe in the value of ſilver, in proportion to that of corn, has not been peculiar to England. It has been obſerved to have taken place in France during the ſame period, and nearly in the ſame proportion too, by three very faithful, diligent, and laborious collectors of the prices of corn, Mr. Dupré de St. Maur, Mr. Meſſance, and the author of the Eſſay on the police of grain. But in France, till 1764, the exportation of grain was by law prohibited; and it is ſomewhat difficult to ſuppoſe, that nearly the ſame diminution of price which took place in one country, notwithſtanding this prohibition, ſhould in another be owing to the extraordinary encouragement given to exportation.

It would be more proper, perhaps, to conſider this variation in the average money price of corn as the effect rather of ſome gradual riſe in the real value of ſilver in the European market, than

of any fall in the real average value of corn. Corn, it has already been obſerved, is at diſtant periods of time a more accurate meaſure of value than either ſilver, or perhaps any other commodity. When, after the diſcovery of the abundant mines of America, corn roſe to three and four times its former money price, this change was univerſally aſcribed, not to any riſe in the real value of corn, but to a fall in the real value of ſilver. If during the ſixty-four firſt years of the preſent century, therefore, the average money price of corn has fallen ſomewhat below what it had been during the greater part of the laſt century, we ſhould in the ſame manner impute this change, not to any fall in the real value of corn, but to ſome riſe in the real value of ſilver in the European market.

The high price of corn during theſe ten or twelve years paſt, indeed, has occaſioned a ſuſpicion that the real value of ſilver ſtill continues to fall in the European market. This high price of corn, however, ſeems evidently to have been the effect of the extraordinary unfavorableneſs of the ſeaſons, and ought therefore to be regarded, not as a permanent, but as a tranſitory and occaſional event. The ſeaſons for theſe ten or twelve years paſt have been unfavorable through the greater part of Europe; and the diſorders of Poland have very much increaſed the ſcarcity in all thoſe countries, which, in dear years, uſed to be ſupplied from that market. So long a courſe of bad ſeaſons, though not a very common event, is by no means a ſingular one; and whoever has

inquired much into the hiſtory of the prices of corn in former times, will be at no loſs to recollect ſeveral other examples of the ſame kind. Ten years of extraordinary ſcarcity, beſides, are not more wonderful than ten years of extraordinary plenty. The low price of corn from 1741 to 1750, both incluſive, may very well be ſet in oppoſition to its high price during theſe laſt eight or ten years. From 1741 to 1750, the average price of the quarter of nine buſhels of the beſt wheat at Windſor market, it appears from the accounts of Eton College, was only 1 *l.* 13 *s.* 9 *d.* $\frac{4}{5}$, which is nearly 6 *s.* 3 *d.* below the average price of the ſixty-four firſt years of the preſent century. The average price of the quarter of eight buſhels of middle wheat, comes out, according to this account, to have been, during theſe ten years, only 1 *l.* 6 *s.* 8 *d.*

Between 1741 and 1750, however, the bounty muſt have hindered the price of corn from falling ſo low in the home market as it naturally would have done. During theſe ten years the quantity of all ſorts of grain exported, it appears from the cuſtom-houſe books, amounted to no leſs than eight millions twenty-nine thouſand one hundred and fifty-ſix quarters one buſhel. The bounty paid for this amounted to 1,514,962 *l.* 17 *s.* 4 *d.* $\frac{1}{2}$. In 1749 accordingly, Mr. Pelham, at that time prime miniſter, obſerved to the Houſe of Commons, that for the three years preceding, a very extraordinary ſum had been paid as bounty for the exportation of corn. He had good reaſon to make

this obfervation, and in the following year he might have had ftill better. In that fingle year the bounty paid amounted to no lefs than 324,176 *l.* 10 *s.* 6 *d.** It is unneceffary to obferve how much this forced exportation muft have raifed the price of corn above what it otherwife would have been in the home market.

At the end of the accounts annexed to this chapter the reader will find the particular account of thofe ten years feparated from the reft. He will find there too the particular account of the preceding ten years, of which the average is likewife below, though not fo much below, the general average of the fixty-four firft years of the century. The year 1740, however, was a year of extraordinary fcarcity. Thefe twenty years preceding 1750, may very well be fet in oppofition to the twenty preceding 1770. As the former were a good deal below the general average of the century, notwithftanding the intervention of one or two dear years; fo the latter have been a good deal above it, notwithftanding the intervention of one or two cheap ones, of 1759, for example. If the former have not been as much below the general average, as the latter have been above it, we ought probably to impute it to the bounty. The change has evidently been too fudden to be afcribed to any change in the value of filver, which is always flow and gradual. The fuddennefs of the effect can be

* See Tracts on the Corn Trade; Tract 3d.

accounted for only by a caufe which can operate fuddenly, the accidental variation of the feafons.

The money price of labor in Great Britain has, indeed, rifen during the courfe of the prefent century. This, however, feems to be the effect, not fo much of any diminution in the value of filver in the European market, as of an increafe in the demand for labor in Great Britain, arifing from the great, and almoft univerfal profperity of the country. In France, a country not altogether fo profperous, the money price of labor has, fince the middle of the laft century, been obferved to fink gradually with the average money price of corn. Both in the laft century and in the prefent, the day-wages of common labor are there faid to have been pretty uniformly about the twentieth part of the average price of the feptier of wheat, a meafure which contains a little more than four Winchefter bufhels. In Great Britain the real recompence of labor, it has already been fhown, the real quantities of the neceffaries and conveniencies of life which are given to the laborer, has increafed confiderably during the courfe of the prefent century. The rife in its money price feems to have been the effect, not of any diminution of the value of filver in the general market of Europe, but of a rife in the real price of labor in the particular market of Great Britain, owing to the peculiarly happy circumftances of the country.

For fome time after the firft difcovery of America, filver would continue to fell at its former, or not

much below its former price. The profits of mining would for ſome time be very great, and much above their natural rate. Thoſe who imported that metal into Europe, however, would ſoon find that the whole annual importation could not be diſpoſed of at this high price. Silver would gradually exchange for a ſmaller and a ſmaller quantity of goods. Its price would ſink gradually lower and lower till it fell to its natural price; or to what was juſt ſufficient to pay, according to their natural rates, the wages of the labor, the profits of the ſtock, and the rent of the land, which muſt be paid in order to bring it from the mine to the market. In the greater part of the ſilver mines of Peru, the tax of the king of Spain, amounting to a tenth of the groſs produce, eats up, it has already been obſerved, the whole rent of the land. This tax was originally a half; it ſoon afterwards fell to a third, then to a fifth, and at laſt to a tenth, at which rate it ſtill continues. In the greater part of the ſilver mines of Peru this, it ſeems, is all that remains, after replacing the ſtock of the undertaker of the work, together with its ordinary profits; and it ſeems to be univerſally acknowledged that theſe profits, which were once very high, are now as low as they can well be, conſiſtently with carrying on their works.

The tax of the king of Spain was reduced to a fifth part of the regiſtered ſilver in 1504 *, one-

* Solorzano, vol. ii.

and-forty years before 1545, the date of the discovery of the mines of Potosi. In the course of ninety years, or before 1636, these mines, the most fertile in all America, had time sufficient to produce their full effect, or to reduce the value of silver in the European market as low as it could well fall, while it continued to pay this tax to the king of Spain. Ninety years is time sufficient to reduce any commodity, of which there is no monopoly, to its natural price, or to the lowest price at which, while it pays a particular tax, it can continue to be sold for any considerable time together.

The price of silver in the European market might perhaps have fallen still lower, and it might have become necessary either to reduce the tax upon it, not only to one tenth, as in 1736, but to one twentieth, in the same manner as that upon gold, or to give up working the greater part of the American mines which are now wrought. The gradual increase of the demand for silver, or the gradual enlargement of the market for the produce of the silver mines of America, is probably the cause which has prevented this from happening, and which has not only kept up the value of silver in the European market, but has perhaps even raised it somewhat higher than it was about the middle of the last century.

Since the first discovery of America, the market for the produce of its silver mines has been growing gradually more and more extensive.

First, The market of Europe has become gradually more and more extensive. Since the discovery of America, the greater part of Europe has been much improved. England, Holland, France, and Germany; even Sweden, Denmark, and Russia, have all advanced considerably both in agriculture and in manufactures. Italy seems not to have gone backwards. The fall of Italy preceded the conquest of Peru. Since that time it seems rather to have recovered a little. Spain and Portugal, indeed, are supposed to have gone backwards. Portugal, however, is but a very small part of Europe, and the declension of Spain is not, perhaps, so great as is commonly imagined. In the beginning of the sixteenth century, Spain was a very poor country, even in comparison with France, which has been so much improved since that time. It was the well-known remark of the Emperor Charles V. who had travelled so frequently through both countries, that every thing abounded in France, but that every thing was wanting in Spain. The increasing produce of the agriculture and manufactures of Europe must necessarily have required a gradual increase in the quantity of silver coin to circulate it; and the increasing number of wealthy individuals must have required the like increase in the quantity of their plate and other ornaments of silver.

Secondly, America is itself a new market for the produce of its own silver mines; and as its advances in agriculture, industry, and population, are much more rapid than those of the most

thriving countries in Europe, its demand muſt increaſe much more rapidly. The Engliſh colonies are altogether a new market, which, partly for coin and partly for plate, requires a continually augmenting ſupply of ſilver through a great continent where there never was any demand before. The greater part too of the Spaniſh and Portugueſe colonies are altogether new markets. New Granada, the Yucatan, Paraguay, and the Brazils were, before diſcovered by the Europeans, inhabited by ſavage nations, who had neither arts nor agriculture. A conſiderable degree of both has now been introduced into all of them. Even Mexico and Peru, though they cannot be conſidered as altogether new markets, are certainly much more extenſive ones than they ever were before. After all the wonderful tales which have been publiſhed concerning the ſplendid ſtate of thoſe countries in ancient times, whoever reads, with any degree of ſober judgment, the hiſtory of their firſt diſcovery and conqueſt, will evidently diſcern that, in arts, agriculture, and commerce, their inhabitants were much more ignorant than the Tartars of the Ukraine are at preſent. Even the Peruvians, the more civilized nation of the two, though they made uſe of gold and ſilver as ornaments, had no coined money of any kind. Their whole commerce was carried on by barter, and there was accordingly ſcarce any diviſion of labor among them. Thoſe who cultivated the ground were obliged to build their own houſes, to make their own houſhold furniture, their own

clothes, ſhoes, and inſtruments of agriculture. The few artificers among them are ſaid to have been all maintained by the ſovereign, the nobles, and the prieſts, and were probably their ſervants or ſlaves. All the ancient arts of Mexico and Peru have never furniſhed one ſingle manufacture to Europe. The Spaniſh armies, though they ſcarce ever exceeded five hundred men, and frequently did not amount to half that number, found almoſt every-where great difficulty in procuring ſubſiſtence. The famines which they are ſaid to have occaſioned almoſt wherever they went, in countries too which at the ſame time are repreſented as very populous and well-cultivated, ſufficiently demonſtrate that the ſtory of this populouſneſs and high cultivation is in a great meaſure fabulous. The Spaniſh colonies are under a government in many reſpects leſs favorable to agriculture, improvement and population, than that of the Engliſh colonies. They ſeem, however, to be advancing in all theſe much more rapidly than any country in Europe. In a fertile ſoil and happy climate, the great abundance and cheapneſs of land, a circumſtance common to all new colonies, is, it ſeems, ſo great an advantage as to compenſate many defects in civil government. Frezier, who viſited Peru in 1713, repreſents Lima as containing between twenty-five and twenty-eight thouſand inhabitants. Ulloa, who reſided in the ſame country between 1740 and 1746, repreſents it as containing more than fifty thouſand. The difference in their accounts of the populouſneſs

of ſeveral other principal towns in Chili and Peru is nearly the ſame; and as there ſeems to be no reaſon to doubt of the good information of either, it marks an increaſe which is ſcarce inferior to that of the Engliſh colonies. America, therefore, is a new market for the produce of its own ſilver mines, of which the demand muſt increaſe much more rapidly than that of the moſt thriving country in Europe.

Thirdly, The Eaſt Indies is another market for the produce of the ſilver mines of America, and a market which, from the time of the firſt diſcovery of thoſe mines, has been continually taking off a greater and a greater quantity of ſilver. Since that time, the direct trade between America and the Eaſt Indies, which is carried on by means of the Acapulco ſhips, has been continually augmenting, and the indirect intercourſe by the way of Europe has been augmenting in a ſtill greater proportion. During the ſixteenth century, the Portugueſe were the only European nation who carried on any regular trade to the Eaſt Indies. In the laſt years of that century the Dutch began to encroach upon this monopoly, and in a few years expelled them from their principal ſettlements in India. During the greater part of the laſt century thoſe two nations divided the moſt conſiderable part of the Eaſt India trade between them; the trade of the Dutch continually augmenting in a ſtill greater proportion than that of the Portugueſe declined. The Engliſh and French carried on ſome trade with India in the laſt century, but it has been

greatly augmented in the courſe of the preſent. The Eaſt India trade of the Swedes and Danes began in the courſe of the preſent century. Even the Moſcovites now trade regularly with China by a ſort of caravans which go over land through Siberia and Tartary to Pekin. The Eaſt India trade of all theſe nations, if we except that of the French, which the laſt war had well nigh annihilated, has been almoſt continually augmenting. The increaſing conſumption of Eaſt India goods in Europe is, it ſeems, ſo great, as to afford a gradual increaſe of employment to them all. Tea, for example, was a drug very little uſed in Europe before the middle of the laſt century. At preſent the value of the tea annually imported by the Engliſh Eaſt India Company, for the uſe of their own countrymen, amounts to more than a million and a half a year; and even this is not enough; a great deal more being conſtantly ſmuggled into the country from the ports of Holland, from Gottenburgh in Sweden, and from the coaſt of France too, as long as the French Eaſt India Company was in proſperity. The conſumption of the porcelain of China, of the ſpiceries of the Moluccas, of the piece goods of Bengal, and of innumerable other articles, has increaſed very nearly in a like proportion. The tonnage accordingly of all the European ſhipping employed in the Eaſt India trade, at any one time during the laſt century, was not, perhaps, much greater than

that of the Engliſh Eaſt India Company before the late reduction of their ſhipping.

But in the Eaſt Indies, particularly in China and Indoſtan, the value of the precious metals, when the Europeans firſt began to trade to thoſe countries, was much higher than in Europe; and it ſtill continues to be ſo. In rice countries, which generally yield two, ſometimes three crops in the year, each of them more plentiful than any common crop of corn, the abundance of food muſt be much greater than in any corn country of equal extent. Such countries are accordingly much more populous. In them too the rich, having a greater ſuper-abundance of food to diſpoſe of beyond what they themſelves can conſume, have the means of purchaſing a much greater quantity of the labor of other people. The retinue of a grandee in China or Indoſtan accordingly is, by all accounts, much more numerous and ſplendid than that of the richeſt ſubjects in Europe. The ſame ſuper-abundance of food, of which they have the diſpoſal, enables them to give a greater quantity of it for all thoſe ſingular and rare productions which nature furniſhes but in very ſmall quantities; ſuch as the precious metals and the precious ſtones, the great objects of the competition of the rich. Though the mines, therefore, which ſupplied the Indian market had been as abundant as thoſe which ſupplied the European, ſuch commodities would naturally exchange for a greater quantity of food in India than in Europe. But the mines which ſupplied the Indian market with the pre-

cious metals ſeem to have been a good deal leſs abundant, and thoſe which ſupplied it with the precious ſtones a good deal more ſo, than the mines which ſupplied the European. The precious metals, therefore, would naturally exchange in India for ſomewhat a greater quantity of the precious ſtones, and for a much greater quantity of food than in Europe. The money price of diamonds, the greateſt of all ſuperfluities, would be ſomewhat lower, and that of food, the firſt of all neceſſaries, a great deal lower in the one country than in the other. But the real price of labor, the real quantity of the neceſſaries of life which is given to the laborer, it has already been obſerved, is lower both in China and Indoſtan, the two great markets of India, than it is through the greater part of Europe. The wages of the laborer will there purchaſe a ſmaller quantity of food; and as the money price of food is much lower in India than in Europe, the money price of labor is there lower upon a double account; upon account both of the ſmall quantity of food which it will purchaſe, and of the low price of that food. But in countries of equal art and induſtry, the money price of the greater part of manufactures will be in proportion to the money price of labor; and in manufacturing art and induſtry, China and Indoſtan, though inferior, ſeem not to be much inferior to any part of Europe. The money price of the greater part of manufactures, therefore, will naturally be much lower in thoſe great empires than it is any-where in Europe. Through the greater part of Europe too the expenſe of

land-carriage increaſes very much both the real and nominal price of moſt manufactures. It coſts more labor, and therefore more money, to bring firſt the materials, and afterwards the compleat manufacture to market. In China and Indoſtan the extent and variety of inland navigation ſave the greater part of this labor, and conſequently of this money, and thereby reduce ſtill lower both the real and the nominal price of the greater part of their manufactures. Upon all theſe accounts, the precious metals are a commodity which it always has been, and ſtill continues to be, extremely advantageous to carry from Europe to India. There is ſcarce any commodity which brings a better price there; or which, in proportion to the quantity of labor and commodities which it coſts in Europe, will purchaſe or command a greater quantity of labor and commodities in India. It is more advantageous too to carry ſilver thither than gold; becauſe in China, and the greater part of the other markets of India, the proportion between fine ſilver and fine gold is but as ten, or at moſt as twelve, to one; whereas in Europe it is as fourteen or fifteen to one. In China, and the greater part of the other markets of India, ten, or at moſt twelve, ounces of ſilver will purchaſe an ounce of gold: in Europe it requires from fourteen to fifteen ounces. In the cargoes, therefore, of the greater part of European ſhips which ſail to India, ſilver has generally been one of the moſt valuable articles. It is the moſt valuable article in the Acapulco ſhips which

ſail to Manilla. The ſilver of the new continent ſeems in this manner to be one of the principal commodities by which the commerce between the two extremities of the old one is carried on, and it is by means of it, in a great meaſure, that thoſe diſtant parts of the world are connected with one another.

In order to ſupply ſo very widely extended a market, the quantity of ſilver annually brought from the mines muſt not only be ſufficient to ſupport that continual increaſe both of coin and of plate which is required in all thriving countries; but to repair that continual waſte and conſumption of ſilver which takes place in all countries where that metal is uſed.

The continual conſumption of the precious metals in coin by wearing, and in plate both by wearing and cleaning, is very ſenſible; and in commodities of which the uſe is ſo very widely extended, would alone require a very great annual ſupply. The conſumption of thoſe metals in ſome particular manufactures, though it may not perhaps be greater upon the whole than this gradual conſumption, is, however, much, more ſenſible, as it is much more rapid. In the manufactures of Birmingham alone, the quantity of gold and ſilver annually employed in gilding and plating, and thereby diſqualified from ever afterwards appearing in the ſhape of thoſe metals, is ſaid to amount to more than fifty thouſand pounds ſterling. We may from thence form ſome notion how great muſt be the annual conſumption in all the different parts of the world,

either in manufactures of the fame kind with thofe of Birmingham, or in laces, embroideries, gold and filver ftuffs, the gilding of books, furniture, &c. A confiderable quantity too muft be annually loft in tranfporting thofe metals from one place to another both by fea and by land. In the greater part of the governments of Afia, befides, the almoft univerfal cuftom of concealing treafures in the bowels of the earth, of which the knowledge frequently dies with the perfon who makes the concealment, muft occafion the lofs of a ftill greater quantity.

The quantity of gold and filver imported at both Cadiz and Lifbon (including not only what comes under regifter, but what may be fuppofed to be fmuggled) amounts, according to the beft accounts, to about fix millions fterling a year.

According to Mr. Meggens * the annual importation of the precious metals into Spain, at an average of fix years; viz. from 1748 to 1753, both inclufive; and into Portugal, at an average of feven years; viz. from 1747 to 1753, both inclufive; amounted in filver to 1,101,107 pounds weight; and in gold to 49,940 pounds weight. The filver, at fixty-two fhillings the pound Troy, amounts to 3,413,431 *l.* 10*s.* fterling. The gold, at forty-four guineas and a

* Poftfcript to the Univerfal Merchant, p. 15 and 16. This Poftfcript was not printed till 1756, three years after the publication of the book, which has never had a fecond edition. The poftfcript is, therefore, to be found in few copies: It corrects feveral errors in the book.

half the pound Troy, amounts to 2,333,446*l.* 14*s.* ſterling. Both together amount to 5,746,878*l.* 4*s.* ſterling. The account of what was imported under regiſter, he aſſures us is exact. He gives us the detail of the particular places from which the gold and ſilver were brought, and of the particular quantity of each metal, which, according to the regiſter, each of them afforded. He makes an allowance too for the quantity of each metal which he ſuppoſes may have been ſmuggled. The great experience of this judicious merchant renders his opinion of conſiderable weight.

According to the eloquent and, ſometimes, well-informed Author of the Philoſophical and Political Hiſtory of the Eſtabliſhment of the Europeans in the two Indies, the annual importation of regiſtered gold and ſilver into Spain, at an average of eleven years; viz. from 1754 to 1764, both incluſive; amounted to 13,984,185 3/5 piaſtres of ten reals. On account of what may have been ſmuggled, however, the whole annual importation, he ſuppoſes, may have amounted to ſeventeen millions of piaſtres; which, at 4*s.* 6*d.* the piaſtre, is equal to 3,825,000*l.* ſterling. He gives the detail too of the particular places from which the gold and ſilver were brought, and of the particular quantities of each metal which, according to the regiſter, each of them afforded. He informs us too, that if we were to judge of the quantity of gold annually imported from the Brazils into Liſbon by the amount of the tax paid to the

king of Portugal, which it seems is one-fifth of the standard metal, we might value it at eighteen millions of cruzadoes, or forty-five millions of French livres, equal to about two millions sterling. On account of what may have been smuggled, however, we may safely, he says, add to this sum an eighth more, or 150,000 *l.* sterling so that the whole will amount to 2,250,000 *l.* sterling. According to this account, therefore, the whole annual importation of the precious metals into both Spain and Portugal, amounts to about 6,075,000 *l.* sterling.

Several other very well authenticated, though manuscript, accounts, I have been assured, agree, in making this whole annual importation amount at an average to about six millions sterling; sometimes a little more, sometimes a little less.

The annual importation of the precious metals into Cadiz and Lisbon, indeed, is not equal to the whole annual produce of the mines of America. Some part is sent annually by the Acapulco ships to Manilla; some part is employed in the contraband trade which the Spanish colonies carry on with those of other European nations; and some part, no doubt, remains in the country. The mines of America, besides, are by no means the only gold and silver mines in the world. They are, however, by far the most abundant. The produce of all the other mines which are known, is insignificant, it is acknowledged, in comparison with theirs; and the far greater part of their produce, it is likewise

acknowledged, is annually imported into Cadiz and Liſbon. But the conſumption of Birmingham alone, at the rate of fifty thouſand pounds a year, is equal to the hundred-and-twentieth part of this annual importation at the rate of ſix millions a year. The whole annual conſumption of gold and ſilver, therefore, in all the different countries of the world where thoſe metals are uſed, may perhaps be nearly equal to the whole annual produce. The remainder may be no more than ſufficient to ſupply the increaſing demand of all thriving countries. It may even have fallen ſo far ſhort of this demand as ſomewhat to raiſe the price of thoſe metals in the European market.

The quantity of braſs and iron annually brought from the mine to the market is out of all proportion greater than that of gold and ſilver. We do not, however, upon this account, imagine that thoſe coarſe metals are likely to multiply beyond the demand, or to become gradually cheaper and cheaper. Why ſhould we imagine that the precious metals are likely to do ſo? The coarſe metals, indeed, though harder, are put to much harder uſes, and, as they are of leſs value, leſs care is employed in their preſervation. The precious metals, however, are not neceſſarily immortal any more than they, but are liable too to be loſt, waſted, and conſumed in a great variety of ways.

The price of all metals, though liable to ſlow and gradual variations, varies leſs from year to

year than that of almoſt any other part of the rude produce of land; and the price of the precious metals is even leſs liable to ſudden variations than that of the coarſe ones. The durableneſs of metals is the foundation of this extraordinary ſteadineſs of price. The corn which was brought to market laſt year, will be all or almoſt all conſumed long before the end of this year. But ſome part of the iron which was brought from the mine two or three hundred years ago, may be ſtill in uſe, and perhaps ſome part of the gold which was brought from it two or three thouſand years ago. The different maſſes of corn which in different years muſt ſupply the conſumption of the world, will always be nearly in proportion to the reſpective produce of thoſe different years. But the proportion between the different maſſes of iron which may be in uſe in two different years, will be very little affected by any accidental difference in the produce of the iron mines of thoſe two years; and the proportion between the maſſes of gold will be ſtill leſs affected by any ſuch difference in the produce of the gold mines. Though the produce of the greater part of metallic mines, therefore, varies, perhaps, ſtill more from year to year than that of the greater part of corn-fields, thoſe variations have not the ſame effect upon the price of the one ſpecies of commodities, as upon that of the other.

Variations in the Proportion between the respective Values of Gold and Silver.

BEFORE the discovery of the mines of America, the value of fine gold to fine silver was regulated in the different mints of Europe, between the proportions of one to ten and one to twelve; that is, an ounce of fine gold was supposed to be worth from ten to twelve ounces of fine silver. About the middle of the last century it came to be regulated, between the proportions of one to fourteen and one to fifteen; that is, an ounce of fine gold came to be supposed worth between fourteen and fifteen ounces of fine silver. Gold rose in its nominal value, or in the quantity of silver which was given for it. Both metals sunk in their real value, or in the quantity of labor which they could purchase; but silver sunk more than gold. Though both the gold and silver mines of America exceeded in fertility all those which had ever been known before, the fertility of the silver mines had, it seems, been proportionably still greater than that of the gold ones.

The great quantities of silver carried annually from Europe to India, have, in some of the English settlements, gradually reduced the value of that metal in proportion to gold. In the mint of Calcutta, an ounce of fine gold is supposed to be worth fifteen ounces of fine silver, in the same manner as in Europe. It is in the mint perhaps rated too high for the value which it bears in the market of Bengal. In China, the proportion of

gold to ſilver ſtill continues as one to ten, or one to twelve. In Japan, it is ſaid to be as one to eight.

The proportion between the quantities of gold and ſilver annually imported into Europe, according to Mr. Meggens's account, is as one to twenty-two nearly; that is, for one ounce of gold there are imported a little more than twenty-two ounces of ſilver. The great quantity of ſilver ſent annually to the Eaſt Indies, reduces, he ſuppoſes, the quantities of thoſe metals which remain in Europe to the proportion of one to fourteen or fifteen, the proportion of their values. The proportion between their values, he ſeems to think, muſt neceſſarily be the ſame as that between their quantities, and would therefore be as one to twenty-two, were it not for this greater exportation of ſilver.

But the ordinary proportion between the reſpective values of two commodities is not neceſſarily the ſame as that between the quantities of them which are commonly in the market. The price of an ox, reckoned at ten guineas, is about threeſcore times the price of a lamb, reckoned at 3*s.* 6*d.* It would be abſurd, however, to infer from thence, that there are commonly in the market threeſcore lambs for one ox: and it would be juſt as abſurd to infer, becauſe an ounce of gold will commonly purchaſe from fourteen to fifteen ounces of ſilver, that there are commonly in the market only fourteen or fifteen ounces of ſilver for one ounce of gold.

The quantity of ſilver commonly in the market,

it is probable, is much greater in proportion to that of gold, than the value of a certain quantity of gold is to that of an equal quantity of ſilver. The whole quantity of a cheap commodity brought to market, is commonly not only greater, but of greater value, than the whole quantity of a dear one. The whole quantity of bread annually brought to market, is not only greater, but of greater value than the whole quantity of butcher's-meat; the whole quantity of butcher's-meat, than the whole quantity of poultry; and the whole quantity of poultry, than the whole quantity of wild fowl. There are ſo many more purchaſers for the cheap than for the dear commodity, that, not only a greater quantity of it, but a greater value, can commonly be diſpoſed of. The whole quantity, therefore, of the cheap commodity muſt commonly be greater in proportion to the whole quantity of the dear one, than the value of a certain quantity of the dear one, is to the value of an equal quantity of the cheap one. When we compare the precious metals with one another, ſilver is a cheap, and gold a dear commodity. We ought naturally to expect, therefore, that there ſhould always be in the market, not only a greater quantity, but a greater value of ſilver than of gold. Let any man, who has a little of both, compare his own ſilver with his gold plate, and he will probably find, that, not only the quantity, but the value of the former greatly exceeds that of the latter. Many people, beſides,

have a good deal of ſilver who have no gold plate, which, even with thoſe who have it, is generally confined to watch-caſes, ſnuff-boxes, and ſuch like trinkets, of which the whole amount is ſeldom of great value. In the Britiſh coin, indeed, the value of the gold preponderates greatly, but it is not ſo in that of all countries. In the coin of ſome countries the value of the two metals is nearly equal. In the Scotch coin, before the union with England, the gold preponderated very little, though it did ſomewhat *, as it appears by the accounts of the mint. In the coin of many countries the ſilver preponderates. In France, the largeſt ſums are commonly paid in that metal, and it is there difficult to get more gold than what is neceſſary to carry about in your pocket. The ſuperior value, however, of the ſilver plate above that of the gold, which takes place in all countries, will much more than compenſate the preponderancy of the gold coin above the ſilver, which takes place only in ſome countries.

Though, in one ſenſe of the word, ſilver always has been, and probably always will be, much cheaper than gold; yet in another ſenſe, gold may, perhaps, in the preſent ſtate of the Spaniſh market, be ſaid to be ſomewhat cheaper than ſilver. A commodity may be ſaid to be dear or cheap, not only according to the abſolute greatneſs or ſmallneſs of its uſual price, but

* See Ruddiman's Preface to Anderſon's Diplomata, &c. Scotiæ.

according as that price is more or lefs above the loweft for which it is poffible to bring it to market for any confiderable time together. This loweft price is that which barely replaces, with a moderate profit, the ftock which muft be employed in bringing the commodity thither. It is the price which affords nothing to the landlord, of which rent makes not any component part, but which refolves itfelf altogether into wages and profit. But, in the prefent ftate of the Spanifh market, gold is certainly fomewhat nearer to this loweft price than filver. The tax of the King of Spain upon gold is only one-twentieth part of the ftandard metal, or five per cent.; whereas his tax upon filver amounts to one-tenth part of it, or to ten per cent. In thefe taxes too, it has already been obferved, confifts the whole rent of the greater part of the gold and filver mines of Spanifh America; and that upon gold is ftill worfe paid than that upon filver. The profits of the undertakers of gold mines too, as they more rarely make a fortune, muft, in general, be ftill more moderate than thofe of the undertakers of filver mines. The price of Spanifh gold, therefore, as it affords both lefs rent and lefs profit, muft, in the Spanifh market, be fomewhat nearer to the loweft price for which it is poffible to bring it thither, than the price of Spanifh filver. When all expenfes are computed, the whole quantity of the one metal, it would feem, cannot, in the Spanifh market, be difpofed of fo advantageoufly as the whole quantity of the other. The tax,

indeed, of the king of Portugal upon the gold of the Brazils, is the ſame with the ancient tax of the King of Spain upon the ſilver of Mexico and Peru; or one-fifth part of the ſtandard metal. It may, therefore, be uncertain whether to the general market of Europe the whole maſs of American gold comes at a price nearer to the loweſt for which it is poſſible to bring it thither, than the whole maſs of American ſilver.

The price of diamonds and other precious ſtones may, perhaps, be ſtill nearer to the loweſt price at which it is poſſible to bring them to market than even the price of gold.

Though it is not very probable, that any part of a tax, which is not only impoſed upon one of the moſt proper ſubjects of taxation, a mere luxury and ſuperfluity, but which affords ſo very important a revenue, as the tax upon ſilver, will ever be given up as long as it is poſſible to pay it; yet the ſame impoſſibility of paying it, which in 1736 made it neceſſary to reduce it from one-fifth to one-tenth, may in time make it neceſſary to reduce it ſtill further; in the ſame manner as it made it neceſſary to reduce the tax upon gold to one-twentieth. That the ſilver mines of Spaniſh America, like all other mines, become gradually more expenſive in the working, on account of the greater depths at which it is neceſſary to carry on the works, and of the greater expenſe of drawing out the water and of ſupplying them with freſh air at thoſe depths, is acknowledged by every body who has inquired into the ſtate of thoſe mines.

Thefe caufes, which are equivalent to a growing fcarcity of filver (for a commodity may be faid to grow fcarcer when it becomes more difficult and expenfive to collect a certain quantity of it) muft, in time, produce one or other of the three following events. The increafe of the expenfe muft either, firft, be compenfated altogether by a proportionable increafe in the price of the metal; or, fecondly, it muft be compenfated altogether by a proportionable diminution of the tax upon filver; or, thirdly, it muft be compenfated partly by the one, and partly by the other of thofe two expedients. This third event is very poffible. As gold rofe in its price in proportion to filver, notwithftanding a great diminution of the tax upon gold; fo filver might rife in its price in proportion to labor and commodities, notwithftanding an equal diminution of the tax upon filver.

Such fucceffive reductions of the tax, however, though they may not prevent altogether, muft certainly retard, more or lefs, the rife of the value of filver in the European market. In confequence of fuch reductions, many mines may be wrought which could not be wrought before, becaufe they could not afford to pay the old tax; and the quantity of filver annually brought to market muft always be fomewhat greater, and, therefore, the value of any given quantity fomewhat lefs, than it otherwife would have been. In confequence of the reduction in 1736, the value of filver in the European market, though it may not at this day be lower than before that

reduction,

reduction, is, probably, at least ten per cent. lower than it would have been, had the Court of Spain continued to exact the old tax.

That, notwithstanding this reduction, the value of silver has, during the course of the present century, begun to rise somewhat in the European market, the facts and arguments which have been alleged above, dispose me to believe, or more properly to suspect and conjecture; for the best opinion which I can form upon this subject scarce, perhaps, deserves the name of belief. The rise, indeed, supposing there has been any, has hitherto been so very small, that after all that has been said, it may, perhaps, appear to many people uncertain, not only whether this event has actually taken place; but whether the contrary may not have taken place, or whether the value of silver may not still continue to fall in the European market.

It must be observed, however, that whatever may be the supposed annual importation of gold and silver, there must be a certain period, at which the annual consumption of those metals will be equal to that annual importation. Their consumption must increase as their mass increases, or rather in a much greater proportion. As their mass increases, their value diminishes. They are more used, and less cared for, and their consumption consequently increases in a greater proportion than their mass. After a certain period, therefore, the annual consumption of those metals must, in this manner, become equal to their annual importation, provided that importation

is not continually increafing; which, in the prefent times, is not fuppofed to be the cafe.

If, when the annual confumption has become equal to the annual importation, the annual importation fhould gradually diminifh, the annual confumption may, for fome time, exceed the annual importation. The mafs of thofe metals may gradually and infenfibly diminifh, and their value gradually and infenfibly rife, till the annual importation becoming again ftationary, the annual confumption will gradually and infenfibly accommodate itfelf to what that annual importation can maintain.

Grounds of the Sufpicion that the Value of Silver ftill continues to decreafe.

THE increafe of the wealth of Europe, and the popular notion that, as the quantity of the precious metals naturally increafes with the increafe of wealth, fo their value diminifhes as their quantity increafes, may, perhaps, difpofe many people to believe that their value ftill continues to fall in the European market; and the ftill gradually increafing price of many parts of the rude produce of land may confirm them ftill further in this opinion.

That that increafe in the quantity of the precious metals, which arifes in any country from the increafe of wealth, has no tendency to diminifh their value, I have endeavoured to fhow already. Gold and filver naturally refort to a

rich country, for the ſame reaſon that all ſorts of luxuries and curioſities reſort to it; not becauſe they are cheaper there than in poorer countries, but becauſe they are dearer, or becauſe a better price is given for them. It is the ſuperiority of price which attracts them, and as ſoon as that ſuperiority ceaſes, they neceſſarily ceaſe to go thither.

If you except corn and ſuch other vegetables as are raiſed altogether by human induſtry, that all other ſorts of rude produce, cattle, poultry, game of all kinds, the uſeful foſſils and minerals of the earth, &c. naturally grow dearer as the ſociety advances in wealth and improvement, I have endeavoured to ſhow already. Though ſuch commodities, therefore, come to exchange for a greater quantity of ſilver than before, it will not from thence follow that ſilver has become really cheaper, or will purchaſe leſs labor than before, but that ſuch commodities have become really dearer, or will purchaſe more labor than before. It is not their nominal price only, but their real price which riſes in the progreſs of improvement. The riſe of their nominal price is the effect, not of any degradation of the value of ſilver, but of the riſe in their real price.

Different Effects of the Progreſs of Improvement upon three different Sorts of rude Produce.

THESE different ſorts of rude produce may be divided into three claſſes. The firſt comprehends thoſe which it is ſcarce in the power

of human induftry to multiply at all. The fecond, thofe which it can multiply in proportion to the demand. The third, thofe in which the efficacy of induftry is either limited or uncertain. In the progrefs of wealth and improvement, the real price of the firft may rife to any degree of extravagance, and feems not to be limited by any certain boundary. That of the fecond, though it may rife greatly, has, however, a certain boundary beyond which it cannot well pafs for any confiderable time together. That of the third, though its natural tendency is to rife in the progrefs of improvement, yet in the fame degree of improvement it may fometimes happen even to fall, fometimes to continue the fame, and fometimes to rife more or lefs, according as different accidents, render the efforts of human induftry, in multiplying this fort of rude produce, more or lefs fuccefsful.

Firft Sort.

THE firft fort of rude produce of which the price rifes in the progrefs of improvement, is that which it is fcarce in the power of human induftry to multiply at all. It confifts in thofe things which nature produces only in certain quantities, and which being of a very perifhable nature, it is impoffible to accumulate together the produce of many different feafons. Such are the greater part of rare and fingular birds and fifhes, many different forts of game, almoft all wild-fowl, all birds of paffage in particular, as well as many other things. When wealth and

the luxury which accompanies it increaſe, the demand for theſe is likely to increaſe with them, and no effort of human induſtry may be able to increaſe the ſupply much beyond what it was before this increaſe of the demand. The quantity of ſuch commodities, therefore, remaining the ſame, or nearly the ſame, while the competition to purchaſe them is continually increaſing, their price may riſe to any degree of extravagance, and ſeems not to be limited by any certain boundary. If woodcocks ſhould become ſo faſhionable as to ſell for twenty guineas a-piece, no effort of human induſtry could increaſe the number of thoſe brought to market, much beyond what it is at preſent. The high price paid by the Romans, in the time of their greateſt grandeur, for rare birds and fiſhes, may in this manner eaſily be accounted for. Theſe prices were not the effects of the low value of ſilver in thoſe times, but of the high value of ſuch rarities and curioſities as human induſtry could not multiply at pleaſure. The real value of ſilver was higher at Rome, for ſome time before and after the fall of the republic, than it is through the greater part of Europe at preſent. Three ſeſtertii, equal to about ſixpence ſterling, was the price which the republic paid for the modius or peck of the tithe wheat of Sicily. This price, however, was probably below the average market price, the obligation to deliver their wheat at this rate being conſidered as a tax upon the Sicilian farmers. When the Romans, therefore had occaſion to order more corn than the tithe of

wheat amounted to, they were bound by capitulation to pay for the ſurplus at the rate of four ſeſtertii, or eight-pence ſterling, the peck; and this had probably been reckoned the moderate and reaſonable, that is, the ordinary or average contract price of thoſe times; it is equal to about one-and-twenty ſhillings the quarter. Eight-and-twenty ſhillings the quarter was, before the late years of ſcarcity, the ordinary contract price of Engliſh wheat, which in quality is inferior to the Sicilian, and generally ſells for a lower price in the European market. The value of ſilver, therefore, in thoſe ancient times, muſt have been to its value in the preſent, as three to four inverſely; that is, three ounces of ſilver would then have purchaſed the ſame quantity of labor and commodities which four ounces will do at preſent. When we read in Pliny, therefore, that Seius * bought a white nightingale, as a preſent for the empreſs Agrippina, at the price of ſix thouſand ſeſtertii, equal to about fifty pounds of our preſent money; and that Aſinius Celer † purchaſed a ſurmullet at the price of eight thouſand ſeſtertii, equal to about ſixty-ſix pounds thirteen ſhillings and four-pence of our preſent money; the extravagance of thoſe prices, how much ſoever it may ſurpriſe us, is apt, notwithſtanding, to appear to us about one-third leſs than it really was. Their real price, the quantity of labor and ſubſiſtence which was given away for them, was about one-third more than their nominal price is apt to expreſs to us

* Lib. x. c. 29. † Lib. ix. c. 17.

in the prefent times. Seius gave for the nightingale the command of a quantity of labor and fubfiftence equal to what 66 *l.* 13 *s.* 4 *d.* would purchafe in the prefent times; and Afinius Celer gave for the furmullet the command of a quantity equal to what 88 *l.* 17 *s.* 9 *d.* $\frac{1}{3}$, would purchafe. What occafioned the extravagance of thofe high prices was, not fo much the abundance of filver, as the abundance of labor and fubfiftence, of which thofe Romans had the difpofal, beyond what was neceffary for their own ufe. The quantity of filver, of which they had the difpofal, was a good deal lefs than what the command of the fame quantity of labor and fubfiftence would have procured to them in the prefent times.

Second Sort.

THE fecond fort of rude produce of which the price rifes in the progrefs of improvement, is that which human induftry can multiply in proportion to the demand. It confifts in thofe ufeful plants and animals, which, in uncultivated countries, nature produces with fuch profufe abundance, that they are of little or no value, and which, as cultivation advances, are therefore forced to give place to fome more profitable produce. During a long period in the progrefs of improvement, the quantity of thefe is continually diminifhing, while at the fame time the demand for them is continually increafing. Their real value, therefore, the real quantity of labor which they will purchafe or

command, gradually rifes, till at laft it gets fo high as to render them as profitable a produce as any thing elfe which human induftry can raife upon the moft fertile and beft cultivated land. When it has got fo high it cannot well go higher. If it did, more land and more induftry would foon be employed to increafe the quantity.

When the price of cattle, for example, rifes fo high that it is as profitable to cultivate land in order to raife food for them, as in order to raife food for man, it cannot well go higher. If it did, more corn land would foon be turned into pafture. The extenfion of tillage, by diminifhing the quantity of wild pafture, diminifhes the quantity of butcher's-meat which the country naturally produces without labor or cultivation, and by increafing the number of thofe who have either corn, or, what comes to the fame thing, the price of corn, to give in exchange for it, increafes the demand. The price of butcher's-meat, therefore, and confequently of cattle, muft gradually rife till it gets fo high, that it becomes as profitable to employ the moft fertile and beft cultivated lands in raifing food for them as in raifing corn. But it muft always be late in the progrefs of improvement before tillage can be fo far extended as to raife the price of cattle to this height; and till it has got to this height, if the country is advancing at all, their price muft be continually rifing. There are, perhaps, fome parts of Europe in which the price of cattle has not yet got to this height.

It had not got to this height in any part of Scotland before the union. Had the Scotch cattle been always confined to the market of Scotland, in a country in which the quantity of land, which can be applied to no other purpofe but the feeding of cattle, is fo great in proportion to what can be applied to other purpofes, it is fcarce poffible, perhaps, that their price could ever have rifen fo high as to render it profitable to cultivate land for the fake of feeding them. In England, the price of cattle, it has already been obferved, feems, in the neighbourhood of London, to have got to this height about the beginning of the laft century; but it was much later probably before it got to it through the greater part of the remoter counties; in fome of which, perhaps, it may fcarce yet have got to it. Of all the different fubftances, however, which compofe this fecond fort of rude produce, cattle is, perhaps, that of which the price, in the progrefs of improvement, firft rifes to this height.

Till the price of cattle, indeed, has got to this height, it feems fcarce poffible that the greater part, even of thofe lands which are capable of the higheft cultivation, can be compleatly cultivated. In all farms too diftant from any town to carry manure from it, that is, in the far greater part of thofe of every extenfive country, the quantity of well-cultivated land muft be in proportion to the quantity of manure which the farm itfelf produces; and this again muft be in proportion to the ftock of cattle which are maintained upon it. The land is manured either by pafturing the cattle upon it,

or by feeding them in the ſtable[b], and from thence carrying out their dung to it. But unleſs the price of the cattle be ſufficient to pay both the rent and profit of cultivated land, the farmer cannot afford to paſture them upon it; and he can ſtill leſs afford to feed them in the ſtable. It is with the produce of improved and cultivated land only, that cattle can be fed in the ſtable; becauſe to collect the ſcanty and ſcattered produce of waſte and unimproved lands would require too much labor and be too expenſive. If the price of the cattle, therefore, is not ſufficient to pay for the produce of improved and cultivated land, when they are allowed to paſture it, that price will be ſtill leſs ſufficient to pay for that produce when it muſt be collected with a good deal of additional labor, and brought into the ſtable to them. In theſe circumſtances, therefore, no more cattle can, with profit, be fed in the ſtable than what are neceſſary for tillage. But theſe can never afford manure enough for keeping conſtantly in good condition, all the lands which they are capable of cultivating. What they afford being inſufficient for the whole farm, will naturally be reſerved for the lands to which it can be moſt advantageouſly or conveniently applied; the moſt fertile, or thoſe, perhaps, in the neighbourhood of the farm-yard. Theſe, therefore, will be kept conſtantly in good condition and fit for tillage. The reſt will, the greater part of them, be allowed to lie waſte, producing ſcarce any thing but ſome miſerable

paſture, juſt ſufficient to keep alive a few ſtraggling, half-ſtarved cattle; the farm, though much underſtocked in proportion to what would be neceſſary for its compleat cultivation, being very frequently overſtocked in proportion to its actual produce. A proportion of this waſte land, however, after having been paſtured in this wretched manner for ſix or ſeven years together, may be ploughed up, when it will yield, perhaps, a poor crop or two of bad oats, or of ſome other coarſe grain, and then, being entirely exhauſted, it muſt be reſted and paſtured again as before, and another portion ploughed up to be in the ſame manner exhauſted and reſted again in its turn. Such accordingly was the general ſyſtem of management all over the low country of Scotland before the union. The lands which were kept conſtantly well manured and in good condition, ſeldom exceeded a third or a fourth part of the whole farm, and ſometimes did not amount to a fifth or a ſixth part of it. The reſt were never manured, but a certain portion of them was in its turn, notwithſtanding, regularly cultivated and exhauſted. Under this ſyſtem of management, it is evident, even that part of the lands of Scotland which is capable of good cultivation, could produce but little in compariſon of what it may be capable of producing. But how diſadvantageous ſoever this ſyſtem may appear, yet before the union the low price of cattle ſeems to have rendered it almoſt unavoidable. If, notwithſtanding a great riſe in their price, it ſtill continues to prevail through a conſiderable part of the country, it

is owing, in many places, no doubt, to ignorance and attachment to old cuſtoms, but in moſt places to the unavoidable obſtructions which the natural courſe of things oppoſes to the immediate or ſpeedy eſtabliſhment of a better ſyſtem: firſt, to the poverty of the tenants, to their not having yet had time to acquire a ſtock of cattle ſufficient to cultivate their lands more compleatly, the ſame riſe of price which would render it advantageous for them to maintain a greater ſtock, rendering it more difficult for them to acquire it; and, ſecondly, to their not having yet had time to put their lands in condition to maintain this greater ſtock properly, ſuppoſing they were capable of acquiring it. The increaſe of ſtock and the improvement of land are two events which muſt go hand in hand, and of which the one can no-where much out-run the other. Without ſome increaſe of ſtock, there can be ſcarce any improvement of land, but there can be no conſiderable increaſe of ſtock but in conſequence of a conſiderable improvement of land; becauſe otherwiſe the land could not maintain it. Theſe natural obſtructions to the eſtabliſhment of a better ſyſtem, cannot be removed but by a long courſe of frugality and induſtry; and half a century or a century more, perhaps, muſt paſs away before the old ſyſtem, which is wearing out gradually, can be compleatly aboliſhed through all the different parts of the country. Of all the commercial advantages, however, which Scotland has derived from the union with England, this riſe in the price of cattle is, perhaps, the greateſt. It has not only raiſed the value of all highland eſtates,

but it has, perhaps, been the principal cauſe of the improvement of the low country.

In all new colonies the great quantity of waſte land, which can for many years be applied to no other purpoſe but the feeding of cattle, ſoon renders them extremely abundant, and in every thing great cheapneſs is the neceſſary conſequence of great abundance. Though all the cattle of the European colonies in America were originally carried from Europe, they ſoon multiplied ſo much there, and became of ſo little value, that even horſes were allowed to run wild in the woods without any owner thinking it worth while to claim them. It muſt be a long time after the firſt eſtabliſhment of ſuch colonies, before it can become profitable to feed cattle upon the produce of cultivated land. The ſame cauſes, therefore, the want of manure, and the diſproportion between the ſtock employed in cultivation, and the land which it is deſtined to cultivate, are likely to introduce there a ſyſtem of huſbandry not unlike that which ſtill continues to take place in ſo many parts of Scotland. Mr. Kalm, the Swediſh traveller, when he gives an account of the huſbandry of ſome of the Engliſh colonies in North-America, as he found it in 1749, obſerves, accordingly, that he can with difficulty diſcover there the character of the Engliſh nation, ſo well ſkilled in all the different branches of agriculture. They make ſcarce any manure for their corn fields, he ſays; but when one piece of ground has been exhauſted by continual cropping, they clear and cultivate another

piece of freſh land; and when that is exhauſted, proceed to a third. Their cattle are allowed to wander through the woods and other uncultivated grounds, where they are half-ſtarved; having long ago extirpated almoſt all the annual graſſes by cropping them too early in the ſpring, before they had time to form their flowers, or to ſhed their ſeeds *. The annual graſſes were, it ſeems, the beſt natural graſſes in that part of North-America; and when the Europeans firſt ſettled there, they uſed to grow very thick, and to riſe three or four feet high. A piece of ground which, when he wrote, could not maintain one cow, would in former times, he was aſſured, have maintained four, each of which would have given four times the quantity of milk which that one was capable of giving. The poorneſs of the paſture had, in his opinion, occaſioned the degradation of their cattle, which degenerated ſenſibly from one generation to another. They were probably not unlike that ſtunted breed which was common all over Scotland thirty or forty years ago, and which is now ſo much mended through the greater part of the low country, not ſo much by a change of the breed, though that expedient has been employed in ſome places, as by a more plentiful method of feeding them.

Though it is late, therefore, in the progreſs of improvement before cattle can bring ſuch a price as to render it profitable to cultivate land for the

* Kalm's Travels, vol. i. p. 343, 344.

ſake of feeding them ; yet of all the different parts which compoſe this ſecond ſort of rude produce, they are perhaps the firſt which bring this price; becauſe till they bring it, it ſeems impoſſible that improvement can be brought near even to that degree of perfection to which it has arrived in many parts of Europe.

As cattle are among the firſt, ſo perhaps veniſon is among the laſt parts of this ſort of rude produce which bring this price. The price of veniſon in Great Britain, how extravagant ſoever it may appear, is not near ſufficient to compenſate the expenſe of a deer park, as is well known to all thoſe who have had any experience in the feeding of deer. If it was otherwiſe, the feeding of deer would ſoon become an article of common farming; in the ſame manner as the feeding of thoſe ſmall birds called Turdi was among the ancient Romans. Varro and Columella aſſure us that it was a moſt profitable article. The fattening of ortolans, birds of paſſage which arrive lean in the country, is ſaid to be ſo in ſome parts of France. If veniſon continues in faſhion, and the wealth and luxury of Great Britain increaſe as they have done for ſome time paſt, its price may very probably riſe ſtill higher than it is at preſent.

Between that period in the progreſs of improvement which brings to its height the price of ſo neceſſary an article as cattle, and that which brings to it the price of ſuch a ſuperfluity as veniſon, there is a very long interval, in the courſe of which many other ſorts of rude produce

gradually arrive at their higheſt price, ſome ſooner and ſome later, according to different circumſtances.

Thus in every farm the offals of the barn and ſtables will maintain a certain number of poultry. Theſe, as they are fed with what would otherwiſe be loſt, are a mere ſave-all; and as they coſt the farmer ſcarce any thing, ſo he can afford to ſell them for very little. Almoſt all that he gets is pure gain, and their price can ſcarce be ſo low as to diſcourage him from feeding this number. But in countries ill cultivated, and, therefore, but thinly inhabited, the poultry, which are thus raiſed without expenſe, are often fully ſufficient to ſupply the whole demand. In this ſtate of things, therefore, they are often as cheap as butcher's-meat, or any other ſort of animal food. But the whole quantity of poultry, which the farm in this manner produces without expenſe, muſt always be much ſmaller than the whole quantity of butcher's-meat which is reared upon it; and in times of wealth and luxury what is rare, with only nearly equal merit, is always preferred to what is common. As wealth and luxury increaſe, therefore, in conſequence of improvement and cultivation, the price of poultry gradually riſes above that of butcher's-meat, till at laſt it gets ſo high that it becomes profitable to cultivate land for the ſake of feeding them. When it has got to this height, it cannot well go higher. If it did, more land would ſoon be turned to this purpoſe. In ſeveral provinces of France, the feeding of poultry is

conſidered

confidered as a very important article in rural œconomy, and fufficiently profitable to encourage the farmer to raife a confiderable quantity of Indian corn and buck-wheat for this purpofe. A middling farmer will there fometimes have four hundred fowls in his yard. The feeding of poultry feems fcarce yet to be generally confidered as a matter of fo much importance in England. They are certainly, however, dearer in England than in France, as England receives confiderable fupplies from France. In the progrefs of improvement, the period at which every particular fort of animal food is deareft, muft naturally be that which immediately precedes the general practice of cultivating land for the fake of raifing it. For fome time before this practice becomes general, the fcarcity muft neceffarily raife the price. After it has become general, new methods of feeding are commonly fallen upon, which enable the farmer to raife upon the fame quantity of ground a much greater quantity of that particular fort of animal food. The plenty not only obliges him to fell cheaper, but in confequence of thefe improvements he can afford to fell cheaper; for if he could not afford it, the plenty would not be of long continuance. It has been probably in this manner that the introduction of clover, turnips, carrots, cabbages; &c. has contributed to fink the common price of butcher's-meat in the London market fomewhat below what it was about the beginning of the laft century.

The hog, that finds his food among ordure, and greedily devours many things rejected by every other ufeful animal, is, like poultry, originally kept as a fave-all. As long as the number of fuch animals, which can thus be reared at little or no expenfe, is fully fufficient to fupply the demand, this fort of butcher's-meat comes to market at a much lower price than any other. But when the demand rifes beyond what this quantity can fupply, when it becomes neceffary to raife food on purpofe for feeding and fattening hogs, in the fame manner as for feeding and fattening other cattle, the price neceffarily rifes, and becomes proportionably either higher or lower than that of other butcher's-meat, according as the nature of the country, and the ftate of its agriculture, happen to render the feeding of hogs more or lefs expenfive than that of other cattle. In France, according to Mr. Buffon, the price of pork is nearly equal to that of beef. In moft parts of Great Britain it is at prefent fomewhat higher.

The great rife in the price both of hogs and poultry has in Great Britain been frequently imputed to the diminution of the number of cottagers and other fmall occupiers of land; an event which has in every part of Europe been the immediate fore-runner of improvement and better cultivation, but which at the fame time may have contributed to raife the price of thofe articles, both fomewhat fooner and fomewhat fafter than it would otherwife have rifen. As the

poorest family can often maintain a cat or a dog, without any expense, so the poorest occupiers of land can commonly maintain a few poultry, or a sow and a few pigs, at very little. The little offals of their own table, their whey, skimmed milk and butter-milk, supply those animals with a part of their food, and they find the rest in the neighbouring fields without doing any sensible damage to any body. By diminishing the number of those small occupiers, therefore, the quantity of this sort of provisions which is thus produced at little or no expense, must certainly have been a good deal diminished, and their price must consequently have been raised both sooner and faster than it would otherwise have risen. Sooner or later, however, in the progress of improvement, it must at any rate have risen to the utmost height to which it is capable of rising; or to the price which pays the labor and expense of cultivating the land which furnishes them with food as well as these are paid upon the greater part of other cultivated land.

The business of the dairy, like the feeding of hogs and poultry, is originally carried on as a save-all. The cattle necessarily kept upon the farm, produce more milk than either the rearing of their own young, or the consumption of the farmer's family requires; and they produce most at one particular season. But of all the productions of land, milk is perhaps the most perishable. In the warm season, when it is most abundant, it will scarce keep four-and-twenty hours. The farmer, by making it into fresh

butter, ſtores a ſmall part of it for a week: by making it into ſalt butter, for a year: and by making it into cheeſe, he ſtores a much greater part of it for ſeveral years. Part of all theſe is reſerved for the uſe of his own family. The reſt goes to market, in order to find the beſt price which is to be had, and which can ſcarce be ſo low as to diſcourage him from ſending thither whatever is over and above the uſe of his own family. If it is very low, indeed, he will be likely to manage his dairy in a very ſlovenly and dirty manner, and will ſcarce perhaps think it worth while to have a particular room or building on purpoſe for it, but will ſuffer the buſineſs to be carried on amidſt the ſmoke, filth, and naſtineſs of his own kitchen; as was the caſe of almoſt all the farmers' dairies in Scotland thirty or forty years ago, and as is the caſe of many of them ſtill. The ſame cauſes which gradually raiſe the price of butcher's-meat, the increaſe of the demand, and, in conſequence of the improvement of the country, the diminution of the quantity which can be fed at little or no expenſe, raiſe, in the ſame manner, that of the produce of the dairy, of which the price naturally connects with that of butcher's-meat, or with the expenſe of feeding cattle. The increaſe of price pays for more labor, care, and cleanlineſs. The dairy becomes more worthy of the farmer's attention, and the quality of its produce gradually improves. The price at laſt gets ſo high that it becomes worth while to employ ſome of the moſt fertile and beſt cultivated

lands in feeding cattle merely for the purpofe of the dairy; and when it has got to this height, it cannot well go higher. If it did, more land would foon be turned to this purpofe. It feems to have got to this height through the greater part of England, where much good land is commonly employed in this manner. If you except the neighbourhood of a few confiderable towns, it feems not yet to have got to this height anywhere in Scotland, where common farmers feldom employ much good land in raifing food for cattle merely for the purpofe of the dairy. The price of the produce, though it has rifen very confiderably within thefe few years, is probably ftill too low to admit of it. The inferiority of the quality, indeed, compared with that of the produce of Englifh dairies, is fully equal to that of the price. But this inferiority of quality is, perhaps, rather the effect of this lownefs of price than the caufe of it. Though the quality was much better, the greater part of what is brought to market could not, I apprehend, in the prefent circumftances of the country, be difpofed of at a much better price; and the prefent price, it is probable, would not pay the expenfe of the land and labor neceffary for producing a much better quality. Through the greater part of England, notwithftanding the fuperiority of price, the dairy is not reckoned a more profitable employment of land than the raifing of corn, or the fattening of cattle, the two great objects of agriculture. Through the greater part of Scotland, therefore, it cannot yet be even fo profitable.

The lands of no country, it is evident, can ever be compleatly cultivated and improved, till once the price of every produce, which human induſtry is obliged to raiſe upon them, has got ſo high as to pay for the expenſe of compleat improvement and cultivation. In order to do this, the price of each particular produce muſt be ſufficient, firſt, to pay the rent of good corn-land, as it is that which regulates the rent of the greater part of other cultivated land; and, ſecondly, to pay the labor and expenſe of the farmer as well as they are commonly paid upon good corn-land; or, in other words, to replace with the ordinary profits the ſtock which he employs about it. This riſe in the price of each particular produce, muſt evidently be previous to the improvement and cultivation of the land which is deſtined for raiſing it. Gain is the end of all improvement, and nothing could deſerve that name of which loſs was to be the neceſſary conſequence. But loſs muſt be the neceſſary conſequence of improving land for the ſake of a produce of which the price could never bring back the expenſe. If the compleat improvement and cultivation of the country be, as it moſt certainly is, the greateſt of all public advantages, this riſe in the price of all thoſe different ſorts of rude produce, inſtead of being conſidered as a public calamity, ought to be regarded as the neceſſary forerunner and attendant of the greateſt of all public advantages.

This riſe too in the nominal or money-price of all thoſe different ſorts of rude produce has

been the effect, not of any degradation in the value of ſilver, but of a riſe in their real price. They have become worth, not only a greater quantity of ſilver, but a grearer quantity of labor and ſubſiſtence than before. As it coſts a greater quantity of labor and ſubſiſtence to bring them to market, ſo when they are brought thither, they repreſent or are equivalent to a greater quantity.

Third Sort.

THE third and laſt ſort of rude produce, of which the price naturally riſes in the progreſs of improvement, is that in which the efficacy of human induſtry, in augmenting the quantity, is either limited or uncertain. Though the real price of this ſort of rude produce, therefore, naturally tends to riſe in the progreſs of improvement, yet, according as different accidents happen to render the efforts of human induſtry more or leſs ſucceſsful in augmenting the quantity, it may happen ſometimes even to fall, ſometimes to continue the ſame in very different periods of improvement, and ſometimes to riſe more or leſs in the ſame period.

There are ſome ſorts of rude produce which nature has rendered a kind of appendages to other ſorts; ſo that the quantity of the one which any country can afford is neceſſarily limited by that of the other. The quantity of wool or of raw hides, for example, which any

country can afford, is neceſſarily limited by the number of great and ſmall cattle that are kept in it. The ſtate of its improvement, and the nature of its agriculture, again neceſſarily determine this number.

The ſame cauſes, which, in the progreſs of improvement, gradually raiſe the price of butcher's-meat, ſhould have the ſame effect, it may be thought, upon the prices of wool and raw hides, and raiſe them too nearly in the ſame proportion. It probably would be ſo, if in the rude beginnings of improvement the market for the latter commodities was confined within as narrow bounds as that for the former. But the extent of their reſpective markets is commonly extremely different.

The market for butcher's-meat is almoſt every-where confined to the country which produces it. Ireland, and ſome part of Britiſh America indeed, carry on a conſiderable trade in ſalt proviſions; but they are, I believe, the only countries in the commercial world which do ſo, or which export to other countries any conſiderable part of their butcher's-meat.

The market for wool and raw hides, on the contrary, is in the rude beginnings of improvement very ſeldom confined to the country which produces them. They can eaſily be tranſported to diſtant countries, wool without any preparation, and raw hides with very little: and as they are the materials of many manufactures, the induſtry of other countries may occaſion a demand

for them, though that of the country which produces them might not occafion any.

In countries ill cultivated, and therefore but thinly inhabited, the price of the wool and the hide bears always a much greater proportion to that of the whole beaft, than in countries where, improvement and population being further advanced, there is more demand for butcher's-meat. Mr. Hume obferves, that in the Saxon times, the fleece was eftimated at two-fifths of the value of the whole fheep, and that this was much above the proportion of its prefent eftimation. In fome provinces of Spain, I have been affured, the fheep is frequently killed merely for the fake of the fleece and the tallow. The carcafe is often left to rot upon the ground, or to be devoured by beafts and birds of prey. If this fometimes happens even in Spain, it happens almoft conftantly in Chili, at Buenos Ayres, and in many other parts of Spanifh America, where the horned cattle are almoft conftantly killed merely for the fake of the hide and the tallow. This too ufed to happen almoft conftantly in Hifpaniola, while it was infefted by the Buccaneers, and before the fettlement, improvement, and populoufnefs of the French plantations (which now extend round the coaft of almoft the whole weftern half of the ifland) had given fome value to the cattle of the Spaniards, who ftill continue to poffefs, not only the eaftern part of the coaft, but the whole inland and mountainous part of the country.

Though in the progrefs of improvement and population, the price of the whole beaft neceffarily rifes, yet the price of the carcafe is likely to be much more affected by this rife than that of the wool and the hide. The market for the carcafe, being in the rude ftate of fociety confined always to the country which produces it, muft neceffarily be extended in proportion to the improvement and population of that country. But the market for the wool and the hides even of a barbarous country often extending to the whole commercial world, it can very feldom be enlarged in the fame proportion. The ftate of the whole commercial world can feldom be much affected by the improvement of any particular country; and the market for fuch commodities may remain the fame or very nearly the fame, after fuch improvements, as before. It fhould, however, in the natural courfe of things rather upon the whole be fomewhat extended in confequence of them. If the manufactures, efpecially, of which thofe commodities are the materials, fhould ever come to flourifh in the country, the market, though it might not be much enlarged, would at leaft be brought much nearer to the place of growth than before; and the price of thofe materials might at leaft be increafed by what had ufually been the expenfe of tranfporting them to diftant countries. Though it might not rife therefore in the fame proportion as that of butcher's meat, it ought naturally to rife fomewhat, and it ought certainly not to fall.

In England, however, notwithſtanding the flouriſhing ſtate of its woollen manufacture, the price of Engliſh wool has fallen very conſiderably ſince the time of Edward III. There are many authentic records which demonſtrate that during the reign of that prince (towards the middle of the fourteenth century, or about 1339) what was reckoned the moderate and reaſonable price of the tod or twenty-eight pounds of Engliſh wool was not leſs than ten ſhillings of the money of thoſe times *, containing, at the rate of twenty-pence the ounce, ſix ounces of ſilver Tower-weight, equal to about thirty ſhillings of our preſent money. In the preſent times, one-and-twenty ſhillings the tod may be reckoned a good price for very good Engliſh wool. The money-price of wool, therefore, in the time of Edward III, was to its money-price in the preſent times as ten to ſeven. The ſuperiority of its real price was ſtill greater. At the rate of ſix ſhillings and eight-pence the quarter, ten ſhillings was in thoſe ancient times the price of twelve buſhels of wheat. At the rate of twenty-eight ſhillings the quarter, one-and-twenty ſhillings is in the preſent times the price of ſix buſhels only. The proportion between the real prices of ancient and modern times, therefore, is as twelve to ſix, or as two to one. In thoſe ancient times a tod of wool would have purchaſed twice the quantity of ſubſiſtence which it will purchaſe at preſent;

* See Smith's Memoirs of Wool, vol. i. c. 5, 6, and 7; alſo, vol. ii. c. 176.

and consequently twice the quantity of labor, if the real recompence of labor had been the same in both periods.

This degradation both in the real and nominal value of wool, could never have happened in consequence of the natural course of things. It has accordingly been the effect of violence and artifice: First, of the absolute prohibition of exporting wool from England; Secondly, of the permission of importing it from Spain duty free; Thirdly, of the prohibition of exporting it from Ireland to any other country but England. In consequence of these regulations, the market for English wool, instead of being somewhat extended in consequence of the improvement of England, has been confined to the home market, where the wool of several other countries is allowed to come into competition with it, and where that of Ireland is forced into competition with it. As the woollen manufactures too of Ireland are fully as much discouraged as is consistent with justice and fair dealing, the Irish can work up but a small part of their own wool at home, and are, therefore, obliged to send a greater proportion of it to Great Britain, the only market they are allowed.

I have not been able to find any such authentic records concerning the price of raw hides in ancient times. Wool was commonly paid as a subsidy to the king, and its valuation in that subsidy ascertains, at least in some degree, what was its ordinary price. But this seems not to have been the case with raw hides. Fleetwood, however, from an

account in 1425, between the prior of Burcester Oxford and one of his canons, gives us their price, at leaſt as it was ſtated, upon that particular occaſion; viz. five ox hides at twelve ſhillings; five cow hides at ſeven ſhillings and three pence; thirty-ſix ſheep ſkins of two years old at nine ſhillings; ſixteen calves ſkins at two ſhillings. In 1425, twelve ſhillings contained about the ſame quantity of ſilver as four-and-twenty ſhillings of our preſent money. An ox hide, therefore, was in this account valued at the ſame quantity of ſilver as 4*s.* ⅘ths of our preſent money. Its nominal price was a good deal lower than at preſent. But at the rate of ſix ſhillings and eight-pence the quarter, twelve ſhillings would in thoſe times have purchaſed fourteen buſhels and four-fifths of a buſhel of wheat, which, at three and ſix-pence the buſhel, would in the preſent times coſt 51*s.* 4 *d.* An ox hide, therefore, would in thoſe times have purchaſed as much corn as ten ſhillings and three-pence would purchaſe at preſent. Its real value was equal to ten ſhillings and three-pence of our preſent money. In thoſe ancient times, when the cattle were half ſtarved during the greater part of the winter, we cannot ſuppoſe that they were of a very large ſize. An ox hide which weighs four ſtone of ſixteen pounds averdupois, is not in the preſent times reckoned a bad one; and in thoſe ancient times would probably have been reckoned a very good one. But at half a crown the ſtone, which at this moment (February 1773) I underſtand to be the common price, ſuch a hide would at

prefent coft only ten fhillings. Though its nominal price, therefore, is higher in the prefent than it was in thofe ancient times, its real price, the real quantity of fubfiftence which it will purchafe or command, is rather fomewhat lower. The price of cow hides, as ftated in the above account, is nearly in the common proportion to that of ox hides. That of fheep fkins is a good deal above it. They had probably been fold with the wool. That of calves fkins, on the contrary, is greatly below it. In countries where the price of cattle is very low, the calves, which are not intended to be reared in order to keep up the ftock, are generally killed very young; as was the cafe in Scotland twenty or thirty years ago. It faves the milk, which their price would not pay for. Their fkins, therefore, are commonly good for little.

The price of raw hides is a good deal lower at prefent than it was a few years ago; owing probably to the taking off the duty upon feal fkins, and to the allowing, for a limited time, the importation of raw hides from Ireland and from the plantations duty free, which was done in 1769. Take the whole of the prefent century at an average, their real price has probably been fomewhat higher than it was in thofe ancient times. The nature of the commodity renders it not quite fo proper for being tranfported to diftant markets as wool. It fuffers more by keeping. A falted hide is reckoned inferior to a frefh one, and fells for a lower price. This circumftance muft neceffarily have fome tendency to fink the price of raw hides

produced in a country which does not manufacture them, but is obliged to export them; and comparatively to raife that of thofe produced in a country which does manufacture them. It muft have fome tendency to fink their price in a barbarous, and to raife it in an improved and manufacturing country. It muft have had fome tendency therefore to fink it in ancient, and to raife it in modern times. Our tanners befides have not been quite fo fuccefsful as our clothiers, in convincing the wifdom of the nation, that the fafety of the commonwealth depends upon the profperity of their particular manufacture. They have accordingly been much lefs favored. The exportation of raw hides has, indeed, been prohibited, and declared a nuifance: but their importation from foreign countries has been fubjected to a duty; and though this duty has been taken off from thofe of Ireland and the plantations (for the limited time of five years only), yet Ireland has not been confined to the market of Great Britain for the fale of its furplus hides, or of thofe which are not manufactured at home. The hides of common cattle have but within thefe few years been put among the enumerated commodities which the plantations can fend nowhere but to the mother country; neither has the commerce of Ireland been in this cafe oppreffed hitherto, in order to fupport the manufactures of Great Britain.

Whatever regulations tend to fink the price either of wool or of raw hides below what it naturally would be, muft, in an improved and cultivated country, have fome tendency to raife

the price of butcher's-meat. The price both of the great and ſmall cattle, which are fed on improved and cultivated land, muſt be ſufficient to pay the rent which the landlord, and the profit which the farmer has reaſon to expect from improved and cultivated land. If it is not, they will ſoon ceaſe to feed them. Whatever part of this price, therefore, is not paid by the wool and the hide, muſt be paid by the carcaſe. The leſs there is paid for the one, the more muſt be paid for the other. In what manner this price is to be divided upon the different parts of the beaſt, is indifferent to the landlords and farmers, provided it is all paid to them. In an improved and cultivated country, therefore, their intereſt as landlords and farmers cannot be much affected by ſuch regulations, though their intereſt as conſumers may, by the riſe in the price of proviſions. It would be quite otherwiſe, however, in an unimproved and uncultivated country, where the greater part of the lands could be applied to no other purpoſe but the feeding of cattle, and where the wool and the hide made the principal part of the value of thoſe cattle. Their intereſt as landlords and farmers would in this caſe be very deeply affected by ſuch regulations, and their intereſt as conſumers very little. The fall in the price of the wool and the hide, would not in this caſe raiſe the price of the carcaſe; becauſe the greater part of the lands of the country being applicable to no other purpoſe but the feeding of cattle, the ſame number would

ſtill continue to be fed. The ſame quantity of butcher's-meat would ſtill come to market. The demand for it would be no greater than before. Its price, therefore, would be the ſame as before. The whole price of cattle would fall, and along with it both the rent and the profit of all thoſe lands of which cattle was the principal produce, that is, of the greater part of the lands of the country. The perpetual prohibition of the exportation of wool, which is commonly, but very falſly, aſcribed to Edward III, would, in the then circumſtances of the country, have been the moſt deſtructive regulation which could well have been thought of. It would not only have reduced the actual value of the greater part of the lands of the kingdom, but by reducing the price of the moſt important ſpecies of ſmall cattle, it would have retarded very much its ſubſequent improvement.

The wool of Scotland fell very conſiderably in its price in conſequence of the union with England, by which it was excluded from the great market of Europe, and confined to the narrow one of great Britain. The value of the greater part of the lands in the ſouthern counties of Scotland, which are chiefly a ſheep country, would have been very deeply affected by this event, had not the riſe in the price of butcher's-meat fully compenſated the fall in the price of wool.

As the efficacy of human induſtry, in increaſing the quantity either of wool or of raw hides, is limited, ſo far as it depends upon the

produce of the country where it is exerted; ſo it is uncertain ſo far as it depends upon the produce of other countries. It ſo far depends, not ſo much upon the quantity which they produce, as upon that which they do not manufacture; and upon the reſtraints which they may or may not think proper to impoſe upon the exportation of this ſort of rude produce. Theſe circumſtances, as they are altogether independent of domeſtic induſtry, ſo they neceſſarily render the efficacy of its efforts more or leſs uncertain. In multiplying this ſort of rude produce, therefore, the efficacy of human induſtry is not only limited, but uncertain.

In multiplying another very important ſort of rude produce the quantity of fiſh that is brought to market, it is likewiſe both limited and uncertain. It is limited by the local ſituation of the country, by the proximity or diſtance of its different provinces from the ſea, by the number of its lakes and rivers, and by what may be called the fertility or barrenneſs of thoſe ſeas, lakes and rivers, as to this ſort of rude produce. As population increaſes, as the annual produce of the land and labor of the country grows greater and greater, there come to be more buyers of fiſh, and thoſe buyers too have a greater quantity and variety of other goods, or, what is the ſame thing, the price of a greater quantity and variety of other goods, to buy with. But it will generally be impoſſible to ſupply the great and extended market without employing a quantity of labor greater than in proportion to

what had been requifite for fupplying the narrow and confined one. A market which, from requiring only one thoufand, comes to require annually ten thoufand ton of fifh, can feldom be fupplied without employing more than ten times the quantity of labor which had before been fufficient to fupply it. The fifh muft generally be fought for at a greater diftance, larger veffels muft be employed, and more expenfive machinery of every kind made ufe of. The real price of this commodity, therefore, naturally rifes in the progrefs of improvement. It has accordingly done fo, I believe, more or lefs in every country.

Though the fuccefs of a particular day's fifhing may be a very uncertain matter, yet, the local fituation of the country being fuppofed, the general efficacy of induftry in bringing a certain quantity of fifh to market, taking the courfe of a year, or of feveral years together, it may perhaps be thought, is certain enough; and it, no doubt, is fo. As it depends more, however, upon the local fituation of the country, than upon the ftate of its wealth and induftry; as upon this account it may in different countries be the fame in very different periods of improvement, and very different in the fame period; its connexion with the ftate of improvement is uncertain, and it is of this fort of uncertainty that I am here fpeaking.

In increafing the quantity of the different minerals and metals which are drawn from the bowels of the earth, that of the more precious

ones particularly, the efficacy of human induſtry ſeems not to be limited, but to be altogether uncertain.

The quantity of the precious metals which is to be found in any country is not limited by any thing in its local ſituation, ſuch as the fertility or barrenneſs of its own mines. Thoſe metals frequently abound in countries which poſſeſs no mines. Their quantity in every particular country ſeems to depend upon two different circumſtances; firſt, upon its power of purchaſing, upon the ſtate of its induſtry, upon the annual produce of its land and labor, in conſequence of which it can afford to employ a greater or a ſmaller quantity of labor and ſubſiſtence in bringing or purchaſing ſuch ſuperfluities as gold and ſilver, either from its own mines or from thoſe of other countries; and, ſecondly, upon the fertility or barrenneſs of the mines which may happen at any particular time to ſupply the commercial world with thoſe metals. The quantity of thoſe metals in the countries moſt remote from the mines, muſt be more or leſs affected by this fertility or barrenneſs, on account of the eaſy and cheap tranſportation of thoſe metals, of their ſmall bulk and great value. Their quantity in China and Indoſtan muſt have been more or leſs affected by the abundance of the mines of America.

So far as their quantity in any particular country depends upon the former of thoſe two circumſtances (the power of purchaſing), their real price, like that of all other luxuries and ſuperfluities, is likely to riſe with the wealth and

improvement of the country, and to fall with its poverty and depreffion. Countries which have a great quantity of labor and fubfiftence to fpare, can afford to purchafe any particular quantity of thofe metals at the expenfe of a greater quantity of labor and fubfiftence, than countries which have lefs to fpare.

So far as their quantity in any particular country depends upon the latter of thofe two circumftances (the fertility or barrennefs of the mines which happen to fupply the commercial world) their real price, the real quantity of labor and fubfiftence which they will purchafe or exchange for, will, no doubt, fink more or lefs in proportion to the fertility, and rife in proportion to the barrennefs of thofe mines.

The fertility or barrennefs of the mines, however, which may happen at any particular time to fupply the commercial world, is a circumftance which, it is evident, may have no fort of connexion with the ftate of induftry in a particular country. It feems even to have no very neceffary connexion with that of the world in general. As arts and commerce, indeed, gradually fpread themfelves over a greater and a greater part of the earth, the fearch for new mines, being extended over a wider furface, may have fomewhat a better chance for being fuccefsful, than when confined within narrower bounds. The difcovery of new mines, however, as the old ones come to be gradually exhaufted, is a matter of the greateft uncertainty, and fuch as no human fkill or induftry can enfure. All

indications, it is acknowledged, are doubtful, and the actual difcovery and fuccefsful working of a new mine can alone afcertain the reality of its value, or even of its exiftence. In this fearch there feem to be no certain limits either to the poffible fuccefs, or to the poffible difappointment of human induftry. In the courfe of a century or two, it is poffible that new mines may be difcovered more fertile than any that have ever yet been known; and it is juft equally poffible that the moft fertile mine then known may be more barren than any that was wrought before the difcovery of the mines of America. Whether the one or the other of thofe two events may happen to take place, is of very little importance to the real wealth and profperity of the world, to the real value of the annual produce of the land and labor of mankind. Its nominal value, the quantity of gold and filver by which this annual produce could be expreffed or reprefented, would, no doubt, be very different; but its real value, the real quantity of labor which it could purchafe or command, would be precifely the fame. A fhilling might in the one cafe reprefent no more labor than a penny does at prefent; and a penny in the other might reprefent as much as a fhilling does now. But in the one cafe he who had a fhilling in his pocket, would be no richer than he who has a penny at prefent; and in the other he who had a penny would be juft as rich as he who has a fhilling now. The cheapnefs and abundance of gold and filver plate, would be the fole advantage

which the world could derive from the one event, and the dearneſs and ſcarcity of thoſe trifling ſuperfluities the only inconveniency it could ſuffer from the other.

Concluſion of the Digreſſion concerning the Variations in the Value of Silver.

The greater part of the writers who have collected the money prices of things in ancient times, ſeem to have conſidered the low money price of corn, and of goods in general, or, in other words, the high value of gold and ſilver, as a proof, not only of the ſcarcity of thoſe metals, but of the poverty and barbariſm of the country at the time when it took place. This notion is connected with the ſyſtem of political œconomy which repreſents national wealth as conſiſting in the abundance, and national poverty in the ſcarcity of gold and ſilver; a ſyſtem which I ſhall endeavour to explain and examine at great length in the fourth book of this inquiry. I ſhall only obſerve at preſent, that the high value of the precious metals can be no proof of the poverty or barbariſm of any particular country at the time when it took place. It is a proof only of the barrenneſs of the mines which happened at that time to ſupply the commercial world. A poor country, as it cannot afford to buy more, ſo it can as little afford to pay dearer for gold and ſilver than a rich one; and the value of thoſe metals, therefore, is not likely to be higher in the former than in the latter. In China, a country

much richer than any part of Europe, the value of the precious metals is much higher than in any part of Europe. As the wealth of Europe, indeed, has increafed greatly fince the difcovery of the mines of America, fo the value of gold and filver has gradually diminifhed. This diminution of their value, however, has not been owing to the increafe of the real wealth of Europe, of the annual produce of its land and labor, but to the accidental difcovery of more abundant mines than any that were known before. The increafe of the quantity of gold and filver in Europe, and the increafe of its manufactures and agriculture, are two events which, though they have happened nearly about the fame time, yet have arifen from very different caufes, and have fcarce any natural connexion with one another. The one has arifen from a mere accident, in which neither prudence nor policy either had or could have any fhare: The other from the fall of the feudal fyftem, and from the eftablifhment of a government which afforded to induftry the only encouragement which it requires, fome tolerable fecurity that it fhall enjoy the fruits of its own labor. Poland, where the feudal fyftem ftill continues to take place, is at this day as beggarly a country as it was before the difcovery of America. The money price of corn, however, has rifen; the real value of the precious metals has fallen in Poland, in the fame manner as in other parts of Europe. Their quantity, therefore, muft have increafed there as in other places, and nearly in

the ſame proportion to the annual produce of its land and labor. This increaſe of the quantity of thoſe metals, however, has not, it ſeems, increaſed that annual produce, has neither improved the manufactures and agriculture of the country, nor mended the circumſtances of its inhabitants. Spain and Portugal, the countries which poſſeſs the mines, are, after Poland, perhaps, the two moſt beggarly countries in Europe. The value of the precious metals, however, muſt be lower in Spain and Portugal than in any other part of Europe; as they come from thoſe countries to all other parts of Europe, loaded, not only with a freight and an inſurance, but with the expenſe of ſmuggling, their exportation being either prohibited, or ſubjected to a duty. In proportion to the annual produce of the land and labor, therefore, their quantity muſt be greater in thoſe countries than in any other part of Europe: Thoſe countries, however, are poorer than the greater part of Europe. Though the feudal ſyſtem has been aboliſhed in Spain and Portugal, it has not been ſucceeded by a much better.

As the low value of gold and ſilver, therefore, is no proof of the wealth and flouriſhing ſtate of the country where it takes place; ſo neither is their high value, or the low money price either of goods in general, or of corn in particular, any proof of its poverty and barbariſm.

But though the low money price either of goods in general, or of corn in particular, be no proof of the poverty or barbariſm of the times;

the low money price of ſome particular ſorts of goods, ſuch as cattle, poultry, game of all kinds, &c. in proportion to that of corn, is a moſt deciſive one. It clearly demonſtrates, firſt, their great abundance in proportion to that of corn, and conſequently the great extent of the land which they occupied in proportion to what was occupied by corn; and, ſecondly, the low value of this land in proportion to that of corn land, and conſequently the uncultivated and unimproved ſtate of the far greater part of the lands of the country. It clearly demonſtrates that the ſtock and population of the country did not bear the ſame proportion to the extent of its territory, which they commonly do in civilized countries, and that ſociety was at that time, and in that country, but in its infancy. From the high or low money price either of goods in general, or of corn in particular, we can infer only that the mines which at that time happened to ſupply the commercial world with gold and ſilver, were fertile or barren, not that the country was rich or poor. But from the high or low money-price of ſome ſorts of goods in proportion to that of others, we can infer, with a degree of probability that approaches almoſt to certainty, that it was rich or poor, that the greater part of its lands were improved or unimproved, and that it was either in a more or leſs barbarous ſtate, or in a more or leſs civilized one.

Any riſe in the money price of goods which proceeded altogether from the degradation of the value of ſilver, would affect all ſorts of goods

equally, and raiſe their price univerſally a third, or a fourth, or a fifth part higher, according as ſilver happened to loſe a third, or a fourth, or a fifth part of its former value. But the riſe in the price of proviſions, which has been the ſubject of ſo much reaſoning and converſation, does not affect all ſorts of proviſions equally. Taking the courſe of the preſent century at an average, the price of corn, it is acknowledged, even by thoſe who account for this riſe by the degradation of the value of ſilver, has riſen much leſs than that of ſome other ſorts of proviſions. The riſe in the price of thoſe other ſorts of proviſions, therefore, cannot be owing altogether to the degradation of the value of ſilver. Some other cauſes muſt be taken into the account, and thoſe which have been above aſſigned, will, perhaps, without having recourſe to the ſuppoſed degradation of the value of ſilver, ſufficiently explain this riſe in thoſe particular ſorts of proviſions of which the price has actually riſen in proportion to that of corn.

As to the price of corn itſelf, it has, during the ſixty-four firſt years of the preſent century, and before the late extraordinary courſe of bad ſeaſons, been ſomewhat lower than it was during the ſixty-four laſt years of the preceding century. This fact is atteſted, not only by the accounts of Windſor market, but by the public fiars of all the different counties of Scotland, and by the accounts of ſeveral different markets in France, which have been collected with great diligence and fidelity by Mr. Meſſance, and by Mr. Dupré

de St. Maur. The evidence is more compleat than could well have been expected in a matter which is naturally ſo very difficult to be aſcertained.

As to the high price of corn during theſe laſt ten or twelve years, it can be ſufficiently accounted for from the badneſs of the ſeaſons, without ſuppoſing any degradation in the value of ſilver.

The opinion, therefore, that ſilver is continually ſinking in its value, ſeems not to be founded upon any good obſervations, either upon the prices of corn, or upon thoſe of other proviſions.

The ſame quantity of ſilver, it may, perhaps, be ſaid, will in the preſent times, even according to the account which has been here given, purchaſe a much ſmaller quantity of ſeveral ſorts of proviſions than it would have done during ſome part of the laſt century; and to aſcertain whether this change be owing to a riſe in the value of thoſe goods, or to a fall in the value of ſilver, is only to eſtabliſh a vain and uſeleſs diſtinction, which can be of no ſort of ſervice to the man who has only a certain quantity of ſilver to go to market with, or a certain fixed revenue in money. I certainly do no pretend that the knowledge of this diſtinction will enable him to buy cheaper. It may not, however, upon that account be altogether uſeleſs.

It may be of ſome uſe to the public by affording an eaſy proof of the proſperous condition of the country. If the riſe in the price of ſome

ſorts of proviſions be owing altogether to a fall in the value of ſilver, it is owing to a circumſtance from which nothing can be inferred but the fertility of the American mines. The real wealth of the country, the annual produce of its land and labor, may, notwithſtanding this circumſtance, be either gradually declining, as in Portugal and Poland; or gradually advancing, as in moſt other parts of Europe. But if this riſe in the price of ſome ſorts of proviſions be owing to a riſe in the real value of the land which produces them, to its increaſed fertility; or, in conſequence of more extended improvement and good cutivation, to its having been rendered fit for producing corn; it is owing to a circumſtance which indicates in the cleareſt manner the proſperous and advancing ſtate of the country. The land conſtitutes by far the greateſt, the moſt important, and the moſt durable part of the wealth of every extenſive country. It may ſurely be of ſome uſe, or, at leaſt, it may give ſome ſatisfaction to the Public, to have ſo deciſive a proof of the increaſing value of by far the greateſt, the moſt important, and the moſt durable part of its wealth.

It may too be of ſome uſe to the Public in regulating the pecuniary reward of ſome of its inferior ſervants. If this riſe in the price of ſome ſorts of proviſions be owing to a fall in the value of ſilver, their pecuniary reward, provided it was not too large before, ought certainly to be augmented in proportion to the extent of this fall. If it is not augmented, their real recompence

will evidently be fo much diminifhed. But if this rife of price is owing to the increafed value, in confequence of the improved fertility of the land which produces fuch provifions, it becomes a much nicer matter to judge either in what proportion any pecuniary reward ought to be augmented, or whether it ought to be augmented at all. The extenfion of improvement and cultivation, as it neceffarily raifes more or lefs, in proportion to the price of corn, that of every fort of animal food, fo it as neceffarily lowers that of, I believe, every fort of vegetable food. It raifes the price of animal food; becaufe a great part of the land which produces it, being rendered fit for producing corn, muft afford to the landlord and farmer the rent and profit of corn-land. It lowers the price of vegetable food; becaufe, by increafing the fertility of the land, it increafes its abundance. The improvements of agriculture too introduce many forts of vegetable food, which, requiring lefs land and not more labor than corn, come much cheaper to market. Such are potatoes and maize, or what is called Indian corn, the two moft important improvements which the agriculture of Europe, perhaps, which Europe itfelf, has received from the great extenfion of its commerce and navigation. Many forts of vegetable food, befides, which in the rude ftate of agriculture are confined to the kitchen-garden, and raifed only by the fpade, come in its improved ftate to be introduced into common fields, and to be raifed by the plough: fuch as turnips, carrots, cabbages,

&c. If in the progrefs of improvement, therefore, the real price of one fpecies of food neceffarily rifes, that of another as neceffarily falls, and it becomes a matter of more nicety to judge how far the rife in the one may be compenfated by the fall in the other. When the real price of butcher's-meat has once got to its height (which, with regard to every fort, except, perhaps, that of hog's flefh, it feems to have done through a great part of England, more than a century ago), any rife which can afterwards happen in that of any other fort of animal food, cannot much affect the circumftances of the inferior ranks of people. The circumftances of the poor through a great part of England cannot furely be fo much diftreffed by any rife in the price of poultry, fifh, wild-fowl, or venifon, as they muft be relieved by the fall in that of potatoes.

In the prefent feafon of fcarcity the high price of corn no doubt diftreffes the poor. But in times of moderate plenty, when corn is at its ordinary or average price, the natural rife in the price of any other fort of rude produce cannot much affect them. They fuffer more, perhaps, by the artificial rife which has been occafioned by taxes in the prices of fome manufactured commodities; as of falt, foap, leather, candles, malt, beer, and ale, &c.

Effects of the Progress of Improvement upon the real Price of Manufactures.

IT is the natural effect of improvement, however, to diminish gradually the real price of almost all manufactures. That of the manufacturing workmanship diminishes, perhaps, in all of them without exception. In consequence of better machinery, of greater dexterity, and of a more proper division and distribution of work, all of which are the natural effects of improvement, a much smaller quantity of labor becomes requisite for executing any particular piece of work; and though, in consequence of the flourishing circumstances of the society, the real price of labor should rise very considerably, yet the great diminution of the quantity will generally much more than compensate the greatest rise which can happen in the price.

There are, indeed, a few manufactures, in which the necessary rise in the real price of the rude materials will more than compensate all the advantages which improvement can introduce into the execution of the work. In carpenters and joiners work, and in the coarser sort of cabinet work, the necessary rise in the real price of barren timber, in consequence of the improvement of land, will more than compensate all the advantages which can be derived from the best machinery, the greatest dexterity, and the most proper division and distribution of work.

But

But in all cafes in which the real price of the rude materials either does not rife at all, or does not rife very much, that of the manufactured commodity finks very confiderably.

This diminution of price has, in the courfe of the prefent and preceding century, been moft remarkable in thofe manufactures of which the materials are the coarfer metals. A better movement of a watch, than about the middle of the laft century could have been bought for twenty pounds, may now perhaps be had for twenty fhillings. In the work of cutlers and lockfmiths, in all the toys which are made of the coarfer metals, and in all thofe goods which are commonly known by the name of Birmingham and Sheffield ware, there has been, during the fame period, a very great reduction of price, though not altogether fo great as in watch-work. It has, however, been fufficient to aftonifh the workmen of every other part of Europe, who in many cafes acknowledge that they can produce no work of equal goodnefs for double, or even for triple the price. There are perhaps no manufactures in which the divifion of labor can be carried further, or in which the machinery employed admits of a greater variety of improvements, than thofe of which the materials are the coarfer metals.

In the clothing manufacture there has, during the fame period, been no fuch fenfible reduction of price. The price of fuperfine cloth, I have been affured, on the contrary, has, within thefe five-and twenty or thirty years, rifen fomewhat

in proportion to its quality; owing, it was ſaid, to a conſiderable riſe in the price of the material, which conſiſts altogether of Spaniſh wool. That of the Yorkſhire cloth, which is made altogether of Engliſh wool, is ſaid indeed, during the courſe of the preſent century, to have fallen a good deal in proportion to its quality. Quality, however, is ſo very diſputable a matter, that I look upon all information of this kind as ſomewhat uncertain. In the clothing manufacture, the diviſion of labor is nearly the ſame now as it was a century ago, and the machinery employed is not very different. There may, however, have been ſome ſmall improvements in both, which may have occaſioned ſome reduction of price.

But the reduction will appear much more ſenſible and undeniable, if we compare the price of this manufacture in the preſent times with what it was in a much remoter period, towards the end of the fifteenth century, when the labor was probably much leſs ſubdivided, and the machinery employed much more imperfect, than it is at preſent.

In 1487, being the 4th of Henry VII. it was enacted, that "whoſoever ſhall ſell by retail a "broad yard of the fineſt ſcarlet grained, or of "other grained cloth of the fineſt making, above "ſixteen ſhillings, ſhall forfeit forty ſhillings for "every yard ſo ſold." Sixteen ſhillings, therefore, containing about the ſame quantity of ſilver as four-and-twenty ſhillings of our preſent money, was, at that time, reckoned not an unreaſonable

price for a yard of the fineſt cloth; and as this is a ſumptuary law, ſuch cloth, it is probable, had uſually been ſold ſomewhat dearer. A guinea may be reckoned the higheſt price in the preſent times. Even though the quality of the cloths, therefore, ſhould be ſuppoſed equal, and that of the preſent times is moſt probably much ſuperior, yet, even upon this ſuppoſition, the money price of the fineſt cloth appears to have been conſiderably reduced ſince the end of the fifteenth century. But its real price has been much more reduced. Six-ſhillings and eight-pence was then, and long afterwards, reckoned the average price of a quarter of wheat. Sixteen ſhillings, therefore, was the price of two quarters and more than three buſhels of wheat. Valuing a quarter of wheat in the preſent times at eight-and-twenty ſhillings, the real price of a yard of fine cloth muſt, in thoſe times, have been equal to at leaſt three pounds ſix ſhillings and ſixpence of our preſent money. The man who bought it muſt have parted with the command of a quantity of labor and ſubſiſtence equal to what that ſum would purchaſe in the preſent times.

The reduction in the real price of the coarſe manufacture, though conſiderable, has not been ſo great as in that of the fine.

In 1463, being the 3d of Edward IV. it was enacted, that "no ſervant in huſbandry, nor " common laborer, nor ſervant to any artificer " inhabiting out of a city or burgh, ſhall uſe or " wear in their clothing any cloth above two

"ſhillings the broad yard." In the 3d of Edward IV. two ſhillings contained very nearly the ſame quantity of ſilver as four of our preſent money. But the Yorkſhire cloth which is now ſold at four ſhillings the yard, is probably much ſuperior to any that was then made for the wearing of the very pooreſt order of common ſervants. Even the money price of their clothing, therefore, may, in proportion to the quality, be ſomewhat cheaper in the preſent than it was in thoſe ancient times. The real price is certainly a good deal cheaper. Ten-pence was then reckoned what is called the moderate and reaſonable price of a buſhel of wheat. Two ſhillings, therefore, was the price of two buſhels and near two pecks of wheat, which in the preſent times, at three ſhillings and ſixpence the buſhel, would be worth eight ſhillings and nine-pence. For a yard of this cloth the poor ſervant muſt have parted with the power of purchaſing a quantity of ſubſiſtence equal to what eight ſhillings and nine-pence would purchaſe in the preſent times. This is a ſumptuary law too, reſtraining the luxury and extravagance of the poor. Their clothing, therefore, had commonly been much more expenſive.

The ſame order of people are, by the ſame law, prohibited from wearing hoſe, of which the price ſhould exceed fourteen-pence the pair, equal to about eight-and-twenty pence of our preſent money. But fourteen-pence was in thoſe times the price of a buſhel and near two pecks of wheat; which, in the preſent times, at three and

ſixpence the buſhel, would coſt five ſhillings and three-pence. We ſhould in the preſent times conſider this as a very high price for a pair of ſtockings to a ſervant of the pooreſt and loweſt order. He muſt, however, in thoſe times have paid what was really equivalent to this price for them.

In the time of Edward IV. the art of knitting ſtockings was probably not known in any part of Europe. Their hoſe were made of common cloth, which may have been one of the cauſes of their dearneſs. The firſt perſon that wore ſtockings in England is ſaid to have been Queen Elizabeth. She received them as a preſent from the Spaniſh ambaſſador.

Both in the coarſe and in the fine woollen manufacture, the machinery employed was much more imperfect in thoſe ancient, than it is in the preſent times. It has ſince received three very capital improvements, beſides, probably, many ſmaller ones of which it may be difficult to aſcertain either the number or the importance. The three capital improvements are: firſt, The exchange of the rock and ſpindle for the ſpinning-wheel, which, with the ſame quantity of labor, will perform more than double the quantity of work. Secondly, the uſe of ſeveral very ingenious machines which facilitate and abridge in a ſtill greater proportion the winding of the worſted and woollen yarn, or the proper arrangement of the warp and woof before they are put into the loom; an operation which, pre-

vious to the invention of thofe machines, muft have been extremely tedious and troublefome. Thirdly, The employment of the fulling mill for thickening the cloth, inftead of treading it in water. Neither wind nor water mills of any kind were known in England fo early as the beginning of the fixteenth century, nor, fo far as I know, in any other part of Europe north of the Alps. They had been introduced into Italy fome time before.

The confideration of thefe circumftances may, perhaps, in fome meafure explain to us why the real price both of the coarfe and of the fine manufacture, was fo much higher in thofe ancient, than it is in the prefent times. It coft a greater quantity of labor to bring the goods to market. When they were brought thither, therefore, they muft have purchafed or exchanged for the price of a greater quantity.

The coarfe manufacture probably was, in thofe ancient times, carried on in England, in the fame manner as it always has been in countries where arts and manufactures are in their infancy. It was probably a houfehold manufacture, in which every different part of the work was occafionally performed by all the different members of almoft every private family; but fo as to be their work only when they had nothing elfe to do, and not to be the principal bufinefs from which any of them derived the greater part of their fubfiftence. The work which is performed in this manner, it has already been obferved,

comes always much cheaper to market than that which is the principal or ſole fund of the workman's ſubſiſtence. The fine manufacture, on the other hand, was not in thoſe times carried on in England, but in the rich and commercial country of Flanders; and it was probably conducted then, in the ſame manner as now, by people who derived the whole, or the principal part of their ſubſiſtence from it. It was beſides a foreign manufacture, and muſt have paid ſome duty, the ancient cuſtom of tonnage and poundage at leaſt, to the king. This duty, indeed, would not probably be very great. It was not then the policy of Europe to reſtrain, by high duties, the importation of foreign manufactures, but rather to encourage it, in order that merchants might be enabled to ſupply, at as eaſy a rate as poſſible, the great men with the conveniencies and luxuries which they wanted, and which the induſtry of their own country could not afford them.

The conſideration of theſe circumſtances may perhaps in ſome meaſure explain to us why, in thoſe ancient times, the real price of the coarſe manufacture was, in proportion to that of the fine, ſo much lower than in the preſent times.

CONCLUSION *of the* CHAPTER.

I SHALL conclude this very long chapter with obſerving that every improvement in the circumſtances of the ſociety tends either directly or indirectly to raiſe the real rent of land, to increaſe the real wealth of the landlord, his power of purchaſing the labor, or the produce of the labor of other people.

The extenſion of improvement and cultivation tends to raiſe it directly. The landlord's ſhare of the produce neceſſarily increaſes with the increaſe of the produce.

That riſe in the real price of thoſe parts of the rude produce of land, which is firſt the effect of extended improvement and cultivation, and afterwards the cauſe of their being ſtill further extended, the riſe in the price of cattle, for example, tends too to raiſe the rent of land directly, and in a ſtill greater proportion. The real value of the landlord's ſhare, his real command of the labor of other people, not only riſe with the real value of the produce, but the proportion of his ſhare to the whole produce riſes with it. That produce, after the riſe in its real price, requires no more labor to collect it, than before. A ſmaller proportion of it will, therefore, be ſufficient to replace, with the ordinary profit, the ſtock which employs that labor. A greater proportion of it muſt, conſequently, belong to the landlord.

All thoſe improvements in the productive powers of labor, which tend directly to reduce the real price of manufactures, tend indirectly to raiſe the real rent of land. The landlord exchanges that part of his rude produce, which is over and above his own conſumption, or what comes to the ſame thing, the price of that part of it, for manufactured produce. Whatever reduces the real price of the latter, raiſes that of the former. An equal quantity of the former becomes thereby equivalent to a greater quantity of the latter; and the landlord is enabled to purchaſe a greater quantity of the conveniencies, ornaments, or luxuries, which he has occaſion for.

Every increaſe in the real wealth of the ſociety, every increaſe in the quantity of uſeful labor employed within it, tends indirectly to raiſe the real rent of land. A certain porportion of this labor naturally goes to the land. A greater number of men and cattle are employed in its cultivation, the produce increaſes with the increaſe of the ſtock which is thus employed in raiſing it, and the rent increaſes with the produce.

The contrary circumſtance, the neglect of cultivation and improvement, the fall in the real price of any part of the rude produce of land, the riſe in the real price of manufactures from the decay of manufacturing art and induſtry, the declenſion of the real wealth of the ſociety, all tend, on the other hand, to lower the real rent

of land, to reduce the real wealth of the landlord, to diminiſh his power of purchaſing either the labor, or the produce of the labor of other people.

The whole annual produce of the land and labor of every country, or what comes to the ſame thing, the whole price of that annual produce, naturally divides itſelf, it has already been obſerved, into three parts; the rent of land, the wages of labor, and the profits of ſtock; and conſtitutes a revenue to three different orders of people; to thoſe who live by rent, to thoſe who live by wages, and to thoſe who live by profit. Theſe are the three great, original and conſtituent orders of every civilized ſociety, from whoſe revenue that of every other order is ultimately derived.

The intereſt of the firſt of thoſe three great orders, it appears from what has been juſt now ſaid, is ſtrictly and inſeparably connected with the general intereſt of the ſociety. Whatever either promotes or obſtructs the one, neceſſarily promotes or obſtructs the other. When the public deliberates concerning any regulation of commerce or police, the proprietors of land never can miſlead it, with a view to promote the intereſt of their own particular order; at leaſt, if they have any tolerable knowledge of that intereſt. They are, indeed, too often defective in this tolerable knowledge. They are the only one of the three orders whoſe revenue coſts them neither labor nor care, but comes to them, as

it were, of its own accord, and independent of any plan or project of their own. That indolence, which is the natural effect of the eafe and fecurity of their fituation, renders them too often, not only ignorant, but incapable of that application of mind which is neceffary in order to forefee and underftand the confequences of any public regulation.

The intereft of the fecond order, that of thofe who live by wages, is as ftrictly connected with the intereft of the fociety as that of the firft. The wages of the laborer, it has already been fhown, are never fo high as when the demand for labor is continually rifing, or when the quantity employed is every year increafing confiderably. When this real wealth of the fociety becomes ftationary, his wages are foon reduced to what is barely enough to enable him to bring up a family, or to continue the race of laborers. When the fociety declines, they fall even below this. The order of proprietors may, perhaps, gain more by the profperity of the fociety, than that of laborers; but there is no order that fuffers fo cruelly from its decline. But though the intereft of the laborer is ftrictly connected with that of the fociety, he is incapable either of comprehending that intereft, or of underftanding its connexion with his own. His condition leaves him no time to receive the neceffary information, and his education and habits are commonly fuch as to render him unfit to judge even though he was fully informed. In the public deliberations,

therefore, his voice is little heard and lefs regarded, except upon fome particular occafions, when his clamor is animated, fet on, and fupported by his employers, not for his, but their own particular purpofes.

His employers conftitute the third order, that of thofe who live by profit. It is the ftock that is employed for the fake of profit, which puts into motion the greater part of the ufeful labor of every fociety. The plans and projects of the employers of ftock regulate and direct all the moft important operations of labor, and profit is the end propofed by all thofe plans and projects. But the rate of profit does not, like rent and wages, rife with the profperity, and fall with the declenfion of the fociety. On the contrary, it is naturally low in rich, and high in poor countries, and it is always higheft in the countries which are going fafteft to ruin. The intereft of this third order, therefore, has not the fame connexion with the general intereft of the fociety as that of the other two. Merchants and mafter manufacturers are, in this order, the two claffes of people who commonly employ the largeft capitals, and who by their wealth draw to themfelves the greateft fhare of the public confideration. As during their whole lives they are engaged in plans and projects, they have frequently more acutenefs of underftanding than the greater part of country gentlemen. As their thoughts, however, are commonly exercifed rather about the intereft of their own particular branch

of bufinefs, than about that of the fociety, their judgment, even when given with the greateft candor (which it has not been upon every occafion) is much more to be depended upon with regard to the former of thofe two objects, than with regard to the latter. Their fuperiority over the country gentleman is, not fo much in their knowledge of the public intereft, as in their having a better knowledge of their own intereft than he has of his. It is by this fuperior knowledge of their own intereft that they have frequently impofed upon his generofity, and perfuaded him to give up both his own intereft and that of the public, from a very fimple but honeft conviction, that their intereft, and not his, was the intereft of the public. The intereft of the dealers, however, in any particular branch of trade or manufactures, is always in fome refpects different from, and even oppofite to, that of the public. To widen the market and to narrow the competition, is always the intereft of the dealers. To widen the market may frequently be agreeable enough to the intereft of the public; but to narrow the competition muft always be againft it, and can ferve only to enable the dealers, by raifing their profits above what they naturally would be, to levy, for their own benefit, an abfurd tax upon the reft of their fellow-citizens. The propofal of any new law or regulation of commerce which comes from this order, ought always to be liftened to with great precaution, and ought never to be adopted

till after having been long and carefully examined, not only with the moſt ſcrupulous, but with the moſt ſuſpicious attention. It comes from an order of men, whoſe intereſt is never exactly the ſame with that of the public, who have generally an intereſt to deceive and even to oppreſs the public, and who accordingly have, upon many occaſions, both deceived and oppreſſed it.

Years XII.	Price of the Quarter of Wheat each Year.			Average of the different Prices of the ſame Year.			The average Price of each Year in Money of the preſent Times.		
	L.	s.	d.	L.	s.	d.	L.	s.	d.
1202	--	12	--	--	--	--	1	16	--
1205	-- -- --	12 13 15	-- 4 --	--	13	5	2	--	3
1223	--	12	--	--	--	--	1	16	--
1237	--	3	4	--	--	--	--	10	--
1243	--	2	--	--	--	--	--	6	--
1244	--	2	--	--	--	--	--	6	--
1246	--	16	--	--	--	--	2	8	--
1247	--	13	4	--	--	--	2	--	--
1257	1	4	--	--	--	--	3	12	--
1258	1 -- --	-- 15 16	-- -- --	--	17	--	2	11	--
1270	4 6	16 8	-- --	5	12	--	16	16	--
1286	-- --	2 16	8 --	--	9	4	1	8	--
						Total,	35	9	3
						Average Price,	2	19	$1\frac{1}{4}$

Years XII.	Price of the Quarter of Wheat each Year.			Average of the different Prices of the fame Year.			The average Price of each Year in Money of the prefent Times.		
	L.	*s.*	*d.*	*L.*	*s.*	*d.*	*L.*	*s.*	*d.*
1287	- -	3	4	- -	- -	- -	- -	10	- -
	- -	- -	8						
	- -	1	- -						
	- -	1	4						
	- -	1	6						
1288	- -	1	8	- -	3	- - $\frac{1}{4}$	- -	9	- - $\frac{3}{4}$
	- -	2	- -						
	- -	3	4						
	- -	9	4						
	- -	12	- -						
	- -	6	- -						
1289	- -	2	- -	- -	10	1 $\frac{2}{4}$	1	10	4 $\frac{2}{4}$
	- -	10	8						
	1	- -	- -						
1290	- -	16	- -	- -	- -	- -	2	8	- -
1294	- -	16	- -	- -	- -	- -	2	8	- -
1302	- -	4	- -	- -	- -	- -	- -	12	- -
1309	- -	7	2	- -	- -	- -	1	1	6
1315	1	- -	- -	- -	- -	- -	3	- -	- -
	1	- -	- -						
1316	1	10	- -	1	10	6	4	11	6
	1	12	- -						
	2	- -	- -						
	2	4	- -						
	- -	14	- -						
1317	2	13	- -	1	19	6	5	18	6
	4	- -	- -						
	- -	6	8						
1336	- -	2	- -	- -	- -	- -	- -	6	- -
1338	- -	3	4	- -	- -	- -	- -	10	- -
						Total,	23	4	11 $\frac{1}{4}$
						Average Price,	1	18	8

Years XII.	Price of the Quarter of Wheat each Year.			Average of the different Prices of the fame Year.			The average Price of each Year in Money of the prefent Times.		
	L.	s.	d.	L.	s.	d.	L.	s.	d.
1339	- -	9	- -	- -	- -	- -	1	7	- -
1349	- -	2	- -	- -	- -	- -	- -	5	2
1359	1	6	8	- -	- -	- -	3	2	2
1361	- -	2	- -	- -	- -	- -	- -	4	8
1363	- -	15	- -	- -	- -	- -	1	15	- -
1369	1 1	- - 4	- - - -	1	2	- -	2	9	4
1379	- -	4	- -	- -	- -	- -	- -	9	4
1387	- -	2	- -	- -	- -	- -	- -	4	8
1390	- - - - - -	13 14 16	4 - - - -	- -	14	5	1	13	7
1401	- -	16	- -	- -	- -	- -	1	17	4
1407	- - - -	4 3	$4\frac{3}{4}$ 4	- -	3	10	- -	8	11
1416	- -	16	- -	- -	- -	- -	1	12	- -
						Total,	15	9	4
						Average Price,	1	5	$9\frac{1}{3}$
	L.	s.	d.	L.	s.	d.	L.	s.	d.
1423	- -	8	- -	- -	- -	- -	- -	16	- -
1425	- -	4	- -	- -	- -	- -	- -	8	- -
1434	1	6	8	- -	- -	- -	2	13	4
1435	- -	5	4	- -	- -	- -	- -	10	8
1439	1 1	- - 6	- - 8	1	3	4	2	6	8
1440	1	4	- -	- -	- -	- -	2	8	- -
1444	- - - -	4 4	4 - -	- -	4	2	- -	8	4
1445	- -	4	6	- -	- -	- -	- -	9	- -
1447	- -	8	- -	- -	- -	- -	- -	16	- -
1448	- -	6	8	- -	- -	- -	- -	13	4
1449	- -	5	- -	- -	- -	- -	- -	10	- -
1451	- -	8	- -	- -	- -	- -	- -	16	- -
						Total,	12	15	4
						Average Price,	1	1	$3\frac{1}{3}$

Years XII.	Price of the Quarter of Wheat each Year.			Average of the different Prices of the fame Year.			The average Price of each Year in Money of the prefent Times.		
	L.	s.	d.	L.	s.	d.	L.	s.	d.
1453	- -	5	4	- -	- -	- -	- -	10	8
1455	- -	1	2	- -	- -	- -	- -	2	4
1457	- -	7	8	- -	- -	- -	- -	15	4
1459	- -	5	- -	- -	- -	- -	- -	10	- -
1460	- -	8	- -	- -	- -	- -	- -	16	- -
1463	- -	2	- -	- -	1	10	- -	3	8
	- -	1	8						
1464	- -	6	8	- -	- -	- -	- -	10	- -
1486	1	4	- -	- -	- -	- -	1	17	- -
1491	- -	14	8	- -	- -	- -	1	2	- -
1494	- -	4	- -	- -	- -	- -	- -	6	- -
1495	- -	3	4	- -	- -	- -	- -	5	- -
1497	1	- -	- -	- -	- -	- -	1	11	- -
						Total,	8	9	- -
						Average Price,	- -	14	1
	L.	s.	d.	L.	s.	d.	L.	s.	d.
1499	- -	4	- -	- -	- -	- -	- -	6	- -
1504	- -	5	8	- -	- -	- -	- -	8	6
1521	1	- -	- -	- -	- -	- -	1	10	- -
1551	- -	8	- -	- -	- -	- -	- -	2	- -
1553	- -	8	- -	- -	- -	- -	- -	8	- -
1554	- -	8	- -	- -	- -	- -	- -	8	- -
1555	- -	8	- -	- -	- -	- -	- -	8	- -
1556	- -	8	- -	- -	- -	- -	- -	8	- -
1557	- -	4	- -	- -	17	8½	- -	17	8½
	- -	5	- -						
	- -	8	- -						
	2	13	4						
1558	- -	8	- -	- -	- -	- -	- -	8	- -
1559	- -	8	- -	- -	- -	- -	- -	8	- -
1560	- -	8	- -	- -	- -	- -	- -	8	- -
						Total,	6	0	2½
						Average Price,	- -	10	$\frac{5}{12}$

Years XII.	Price of the Quarter of Wheat each Year.			Average of the different Prices of the fame Year.			The average Price of each Year in Money of the prefent Times.		
	L.	s.	d.	L.	s.	d.	L.	s.	d.
1561	- -	8	- -	- -	- -	- -	- -	8	- -
1562	- -	8	- -	- -	- -	- -	- -	8	- -
1574	{ 2 1	16 4	- - - - }	2	- -	- -	2	- -	- -
1587	3	4	- -	- -	- -	- -	3	4	- -
1594	2	16	- -	- -	- -	- -	2	16	- -
1595	2	13	- -	- -	- -	- -	2	13	- -
1596	4	- -	- -	- -	- -	- -	4	- -	- -
1597	{ 5 4	4 - -	- - - - }	4	12	- -	4	12	- -
1598	2	16	8	- -	- -	- -	2	16	8
1599	1	19	2	- -	- -	- -	1	19	2
1600	1	17	8	- -	- -	- -	1	17	8
1601	1	14	10	- -	- -	- -	1	14	10
						Total,	28	9	4
						Average Price,	2	7	5 $\frac{1}{3}$

Prices of the Quarter of nine Bushels of the best or highest priced Wheat at Windsor Market, on Lady-Day and Michaelmas, from 1595 to 1764, both inclusive; the Price of each Year being the Medium between the highest Prices of those Two Market days.

Years.	*L.*	*s.*	*d.*
1595, - -	2	0	0
1596, - -	2	8	0
1597, - -	3	9	6
1598, - -	2	16	8
1599, - -	1	19	2
1600, - -	1	17	8
1601, - -	1	14	10
1602, - -	1	9	4
1603, - -	1	15	4
1604, - -	1	10	8
1605, - -	1	15	10
1606, - -	1	13	0
1607, - -	1	16	8
1608, - -	2	16	8
1609, - -	2	10	0
1610, - -	1	15	10
1611, - -	1	18	8
1612, - -	2	2	4
1613, - -	2	8	8
1614, - -	2	1	8 $\frac{1}{2}$
1615, - -	1	18	8
1616, - -	2	0	4
1617, - -	2	8	8
1618, - -	2	6	8
1619, - -	1	15	4
1620, - -	1	10	4
26)	54	0	6 $\frac{1}{2}$
	2	1	6 $\frac{9}{1}$

Years.	*L.*	*s.*	*d.*
1621, - -	1	10	4
1622, - -	2	18	8
1623, - -	2	12	0
1624, - -	2	8	0
1625, - -	2	12	0
1626, - -	2	9	4
1627, - -	1	16	0
1628, - -	1	8	0
1629, - -	2	2	0
1630, - -	2	15	8
1631, - -	3	8	0
1632, - -	2	13	4
1633, - -	2	18	0
1634, - -	2	16	0
1635, - -	2	16	0
1636, - -	2	16	8
16)	40	0	0
	2	10	0

Years.	Wheat per quarter. L.	s.	d.
1637, - -	2	13	0
1638, - -	2	17	4
1639, - -	2	4	10
1640, - -	2	4	8
1641, - -	2	8	0
1642, Wanting in the account. The year 1646 supplied by bishop Fleetwood.	0	0	0
1643,	0	0	0
1644,	0	0	0
1645,	0	0	0
1646, - -	2	8	0
1647, - -	3	13	8
1648, - -	4	5	0
1649, - -	4	0	0
1650, - -	3	16	8
1651, - -	3	13	4
1652, - -	2	9	6
1653, - -	1	15	6
1654, - -	1	6	0
1655, - -	1	13	4
1656, - -	2	3	0
1657, - -	2	6	8
1658, - -	3	5	0
1659, - -	3	6	0
1660, - -	2	16	6
1661, - -	3	10	0
1662, - -	3	14	0
1663, - -	2	17	0
1664, - -	2	0	6
1665, - -	2	9	4
1666, - -	1	16	0
1667, - -	1	16	0
1668, - -	2	0	0
1669, - -	2	4	4
1670, - -	2	1	8
Carry over,	79	14	10

Years.	Wheat per quarter. L.	s.	d.
Brought over,	79	14	10
1671, - -	2	2	0
1672, - -	2	1	0
1673, - -	2	6	8
1674, - -	3	8	8
1675, - -	3	4	8
1676, - -	1	18	0
1677, - -	2	2	0
1678, - -	2	19	0
1679, - -	3	0	0
1680, - -	2	5	0
1681, - -	2	6	8
1682, - -	2	4	0
1683, - -	2	0	0
1684, - -	2	4	0
1685, - -	2	6	8
1686, - -	1	14	0
1687, - -	1	5	2
1688, - -	2	6	0
1689, - -	1	10	0
1690, - -	1	14	8
1691, - -	1	14	0
1692, - -	2	6	8
1693, - -	3	7	8
1694, - -	3	4	0
1695, - -	2	13	0
1696, - -	3	11	0
1697, - -	3	0	0
1698, - -	3	8	4
1699, - -	3	4	0
1700, - -	2	0	0
60)	153	1	8
	2	11	$0\frac{1}{3}$

Years.		Wheat per quarter. L.	s.	d.
1701,	- -	1	17	8
1702,	- -	1	9	6
1703,	- -	1	16	0
1704,	- -	2	6	6
1705,	- -	1	10	0
1706,	- -	1	6	0
1707,	- -	1	8	6
1708,	- -	2	1	6
1709,	- -	3	18	6
1710,	- -	3	18	0
1711,	- -	2	14	0
1712,	- -	2	6	4
1713,	- -	2	11	0
1714,	- -	2	10	4
1715,	- -	2	3	0
1716,	- -	2	8	0
1717,	- -	2	5	8
1718,	- -	1	18	10
1719,	- -	1	15	0
1720,	- -	1	17	0
1721,	- -	1	17	6
1722,	- -	1	16	0
1723,	- -	1	14	8
1724,	- -	1	17	0
1725,	- -	2	8	6
1726,	- -	2	6	0
1727,	- -	2	2	0
1728,	- -	2	14	6
1729,	- -	2	6	10
1730,	- -	1	16	6
1731,	- -	1	12	10
1732,	- -	1	6	8
1733,	- -	1	8	4
Carry over,		69	8	8

Years.		Wheat per quarter. L.	s.	d.
Brought over,		69	8	8
1734,	- -	1	18	10
1735,	- -	2	3	0
1736,	- -	2	0	4
1737,	- -	1	18	0
1738,	- -	1	15	6
1739,	- -	1	18	6
1740,	- -	2	10	8
1741,	- -	2	6	8
1742,	- -	1	14	0
1743,	- -	1	4	10
1744,	- -	1	4	10
1745,	- -	1	7	6
1746,	- -	1	19	0
1747,	- -	1	14	10
1748,	- -	1	17	0
1749,	- -	1	17	0
1750,	- -	1	12	6
1751,	- -	1	18	6
1752,	- -	2	1	10
1753,	- -	2	4	8
1754,	- -	1	14	8
1755,	- -	1	13	10
1756,	- -	2	5	3
1757,	- -	3	0	0
1758,	- -	2	10	0
1759,	- -	1	19	10
1760,	- -	1	16	6
1761,	- -	1	10	3
1762,	- -	1	19	0
1763,	- -	2	0	9
1764,	- -	2	6	9
	64)	129	13	6
		2	0	6 $\frac{19}{32}$

	Wheat per quarter.				Wheat per quarter.		
Years.	L.	s.	d.	Years.	L.	s.	d.
1731, - -	1	12	10	1741, - -	2	6	8
1732, - -	1	6	8	1742, - -	1	14	0
1733, - -	1	8	4	1743, - -	1	4	10
1734, - -	1	18	10	1744, - -	1	4	10
1735, - -	2	3	0	1745, - -	1	7	6
1736, - -	2	0	4	1746, - -	1	19	0
1737, - -	1	18	0	1747, - -	1	14	10
1738, - -	1	15	6	1748, - -	1	17	0
1739, - -	1	18	6	1749, - -	1	17	0
1740, - -	2	10	8	1750, - -	1	12	6
10)	18	12	8	10)	16	18	2
	1	17	$3\frac{1}{5}$		1	13	$9\frac{4}{5}$

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